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13 CHURCH OF SCIENTOLOGY INTERNATIONAL

14 UNITED STATES BANKRUPTCY COURT

15 NORTHERN DISTRICT OF CALIFORNIA

16 In re	)	CASE NO. 95-10911 aj
	)	
	)	REQUEST FOR JUDICIAL NOTICE
	)	IN SUPPORT OF MOTION FOR
	)	RELIEF FROM STAY
17 GERALD ARMSTRONG,	)	
	)	[11 U.S.C. §362(d)(1)]
	)	
18 Debtor	)	DATE: May 25, 1995
	)	TIME: 9:00 a.m.
	)	CTRM: Hon. Alan
	)	Jaroslovsky

19 Creditor, Church of Scientology International requests that this Court take judicial notice  
20 of the following records of the Superior Court of the County of Marin of the State of California,  
21 the Superior Court of the County of Los Angeles of the State of California, and the Court of  
22 Appeal of the State of California Second Appellate District.

23 A. Second Amended Verified Complaint for Damages and for Preliminary and  
24 Permanent Injunctive Relief for Breach of Contract, filed on April 5, 1994 in the case of Church  
25 of Scientology International v. Gerald Armstrong, et al., Los Angeles County Superior Court,  
26 Case No. BC 052395, a true and correct copy of which is attached hereto as Exhibit A;

27 B. Church of Scientology International's Verified Complaint to Set Aside Fraudulent  
28 Transfers and for Damages; Conspiracy, filed on July 23, 1993, in Church of Scientology  
International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,



1 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit B;

2 C. Notice of Motion and Motion to Enforce Settlement Agreement; For Liquidated  
3 Damages and to Enjoin Future Violations, filed on October 3, 1991 in Church of Scientology  
4 of California v. Gerald Armstrong, et al., Los Angeles County Superior Court, Case No. C 420  
5 153, a true and correct copy of which is attached hereto as Exhibit C;

6 D. Complaint for Breach of Contract, filed on February 4, 1992 in Church of  
7 Scientology International v. Armstrong, Marin County Superior Court, Case No. 152 229, a true  
8 and correct copy of which is attached hereto as Exhibit D;

9 E. Motion to Disqualify Department Five, The Honorable William H. Stephens,  
10 Pursuant to Code of Civil Procedure Section 170.6, filed on February 27, 1992 in Church of  
11 Scientology International v. Armstrong, Marin County Superior Court, Case No. 152 229, a true  
12 and correct copy of which is attached hereto as Exhibit E;

13 F. Temporary Restraining Order issued by Judge Michael B. Dufficy on March 5,  
14 1992 in Church of Scientology International v. Armstrong, Marin County Superior Court, Case  
15 No. 152 229, a true and correct copy of which is attached hereto as Exhibit F;

16 G. Order re Defendant's Motion to Dismiss or Stay or Transfer to Los Angeles  
17 Superior Court issued by Judge Michael B. Dufficy on March 24, 1992 in Church of Scientology  
18 International v. Armstrong, Marin County Superior Court, Case No. 152 229, a true and correct  
19 copy of which is attached hereto as Exhibit G;

20 H. The Minute Order, Ruling on the Plaintiff's Motion for Preliminary Injunction,  
21 issued on May 28, 1992, in the case of Church of Scientology International v. Gerald  
22 Armstrong, et al., Los Angeles Superior Court, Case No. BC 052395, a true and correct copy  
23 of which is attached hereto as Exhibit H;

24 I. Notice of Ruling evidencing undertaking of \$70,000 posted by plaintiff, filed on  
25 June 5, 1992 in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles  
26 Superior Court, Case No. BC 052395, a true and correct copy of which is attached hereto as  
27 Exhibit I;

28 J. First Amended Verified Complaint for Damages and For Preliminary and



1 Permanent Injunctive Relief for Breach of Contract, filed on June 4, 1992 in Church of  
2 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
3 BC 052395, a true and correct copy of which is attached hereto as Exhibit J;

4 K. Cross-complaint for Declaratory Relief, Abuse of Process, and Breach of  
5 Contract, filed on July 22, 1992 in Church of Scientology International v. Gerald Armstrong,  
6 et al., Los Angeles Superior Court, Case No. BC 052395, a true and correct copy of which is  
7 attached hereto as Exhibit K;

8 L. Notice of Appeal, dated July 23, 1992 and filed in Church of Scientology  
9 International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No. BC 052395,  
10 a true and correct copy of which is attached hereto as Exhibit L;

11 M. Reporter's Transcript of Proceedings for February 19, 1993 in Church of  
12 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
13 BC 052395, a true and correct copy of which is attached hereto as Exhibit M;

14 N. Declaration of Gerald Armstrong, executed February 2, 1993 in Church of  
15 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
16 BC 052395, a true and correct copy of which is attached hereto as Exhibit N;

17 O. Plaintiff's Notice of Motion and Motion for Summary Adjudication of the Fourth,  
18 Fifth, Sixth, Seventh, Ninth and Eleventh Causes of Action of Plaintiff's Complaint, filed March  
19 2, 1993; Plaintiff's Notice of Motion and Motion for Summary Adjudication of the Twelfth  
20 Cause of Action of Plaintiff's Complaint, filed March 2, 1993; and Notice of Motion and  
21 Motion by Cross-defendant Church of Scientology International for Summary Adjudication of  
22 the Second and Third Causes of Action of the Cross-complaint, filed March 3, 1992 in Church  
23 of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
24 BC 052395, a true and correct copy of which is attached hereto as Exhibit O;

25 P. Order by Judge David Horowitz granting Motion of Defendant Gerald Armstrong  
26 for Stay, dated March 23, 1993 in Church of Scientology International v. Gerald Armstrong,  
27 et al., Los Angeles Superior Court, Case No. BC 052395, a true and correct copy of which is  
28 attached hereto as Exhibit P;



1 Q. Verified Complaint for Damages and for Preliminary and Permanent Injunctive  
2 Relief for Breach of Contract, filed July 8, 1993 in Church of Scientology International v.  
3 Gerald Armstrong, et al., Los Angeles County Superior Court, Case No. BC084642, a true and  
4 correct copy of which is attached hereto as Exhibit Q;

5 R. Verified Cross-complaint for Abuse of Process, dated November 30, 1993 in  
6 Church of Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin  
7 County Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto  
8 as Exhibit R;

9 S. Order dated March 25, 1994 by Judge Gary Thomas sustaining demurrer to the  
10 first amended cross-complaint in Church of Scientology International v. Gerald Armstrong and  
11 Michael Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct  
12 copy of which is attached hereto as Exhibit S;

13 T. Second Amended Verified Cross-complaint for Abuse of Process, dated April 15,  
14 1994 in Church of Scientology International v. Gerald Armstrong and Michael Walton, et al.,  
15 Marin County Superior Court, Case No. 157 680, a true and correct copy of which is attached  
16 hereto as Exhibit T;

17 U. Opinion dated May 16, 1994 in Church of Scientology International v. Armstrong,  
18 Court of Appeal of the State of California, Second Appellate District, Case No. B069450,  
19 affirming order granting a preliminary injunction against Armstrong, a true and correct copy of  
20 which is attached hereto as Exhibit U;

21 V. Minute Order of June 7, 1994 by Judge David Horowitz setting trial date in  
22 Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court,  
23 Case No. BC 052395, a true and correct copy of which is attached hereto as Exhibit V;

24 W. Notice of Motion and Motion for Summary Adjudication of the Fourth, Sixth and  
25 Eleventh Causes of Action of Plaintiff's Second Amended Complaint, filed August 2, 1994 in  
26 Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court,  
27 Case No. BC 052395, a true and correct copy of which is attached hereto as Exhibit W;

28 X. Minute Order of August 16, 1994 by Judge David Horowitz granting summary



1 adjudication of the second and third causes of action in the cross-complaint in Church of  
2 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
3 BC 052395, a true and correct copy of which is attached hereto as Exhibit X;

4 Y. Stipulation and Order Changing Venue, signed by Judge David Horowitz on  
5 September 1, 1994 in Church of Scientology International v. Gerald Armstrong, et al., Los  
6 Angeles Superior Court, Case No. BC 052395, a true and correct copy of which is attached  
7 hereto as Exhibit Y;

8 Z. Order re Joint Motion for Consolidation and Continuance of Trial Date, filed  
9 October 25, 1994 in Church of Scientology International v. Gerald Armstrong and Michael  
10 Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct copy of  
11 which is attached hereto as Exhibit Z;

12 AA. Order Concerning Motions for Summary Judgment filed October 25, 1994 in  
13 Church of Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin  
14 County Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto  
15 as Exhibit AA;

16 BB. Plaintiff's Notice of Motion and Motion for Summary Adjudication of the Fourth,  
17 Sixth and Eleventh Causes of Action of Plaintiff's Second Amended Complaint in Church of  
18 Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin County  
19 Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto as  
20 Exhibit BB;

21 CC. Armstrong's Ex Parte Application to continue Date of Hearing per C.C.P. § 437c  
22 and Time to Oppose Motion therefor, dated December 8, 1994 in Church of Scientology  
23 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
24 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit CC;

25 DD. Ruling by Judge Gary W. Thomas, dated January 27, 1995, granting motion for  
26 summary adjudication of issues as to the fourth and sixth causes of action in Church of  
27 Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin County  
28 Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto as



1 Exhibit DD;

2 EE. Notice of Motion and Motion for Summary Adjudication of the Twentieth Cause  
3 of Action of Plaintiff's Complaint, filed February 23, 1995 in Church of Scientology  
4 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
5 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit EE;

6 FF. Substitution of Counsel by Gerald Armstrong, in propria persona, dated February  
7 23, 1995 in Church of Scientology International v. Gerald Armstrong and Michael Walton, et  
8 al., Marin County Superior Court, Case No. 157 680, a true and correct copy of which is  
9 attached hereto as Exhibit FF;

10 GG. Order granting Ex Parte Application to Continue Hearing on Motion for Summary  
11 Adjudication of Twentieth Cause of Action, filed March 10, 1995 in Church of Scientology  
12 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
13 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit GG;

14 HH. Notice of Motion and Motion for Summary Adjudication of the thirteenth,  
15 Sixteenth, Seventeenth and Nineteenth Causes of Action of Plaintiff's Second Amended  
16 Complaint, filed March 17, 1995 in Church of Scientology International v. Gerald Armstrong  
17 and Michael Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct  
18 copy of which is attached hereto as Exhibit HH;

19 II. Transcript of Proceedings for March 22, 1995 in Church of Scientology  
20 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
21 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit II;

22 JJ. Ex Parte Application to Continue Hearings on Motions for Summary Adjudication  
23 of 20th Cause of Action; and 13th, 16th, 17th & 19th Causes of Action of 2nd Amended  
24 Complaint, dated March 28, 1995 in Church of Scientology International v. Gerald Armstrong  
25 and Michael Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct  
26 copy of which is attached hereto as Exhibit JJ;

27 KK. Gerald Armstrong's Notice of Filing Chapter 7 Bankruptcy Petition and  
28 Imposition of Automatic Stay, dated April 19, 1995 in Church of Scientology International v.



1 Gerald Armstrong and Michael Walton, et al., Marin County Superior Court, Case No. 157 680,  
2 a true and correct copy of which is attached hereto as Exhibit KK;

3 Dated: April \_\_, 1995

Respectfully Submitted,

4 Andrew H. Wilson  
5 Shauna T. Rejkowski  
6 WILSON, RYAN & CAMPILONGO

7 MOXON & BARTILSON

8 By: 

Laurie J. Bartilson

9 Attorneys for Creditor  
10 CHURCH OF SCIENTOLOGY  
11 INTERNATIONAL  
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12 Attorneys for Plaintiff  
13 CHURCH OF SCIENTOLOGY  
14 INTERNATIONAL

ORIGINAL FILED

MAR 2 - 1993

LOS ANGELES  
SUPERIOR COURT

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
16 FOR THE COUNTY OF LOS ANGELES

17 CHURCH OF SCIENTOLOGY )  
18 INTERNATIONAL, a California not-for-profit )  
19 religious corporation, )

20 Plaintiff,

21 vs.

22 GERALD ARMSTRONG; DOES 1 through )  
23 25, inclusive, )

24 Defendants. )  
25 )  
26 )  
27 )  
28 )

CASE NO. BC 052395

PLAINTIFF'S NOTICE OF MOTION  
AND MOTION FOR SUMMARY  
ADJUDICATION OF THE FOURTH,  
FIFTH, SIXTH, SEVENTH, NINTH  
AND ELEVENTH CAUSES OF  
ACTION OF PLAINTIFF'S  
COMPLAINT; MEMORANDUM OF  
POINTS AND AUTHORITIES IN  
SUPPORT THEREOF

DATE: March 31, 1993  
TIME: 8:30 a.m.  
DEPT: 30

DISC CUT-OFF: Apr. 2, 1993  
MTN CUT-OFF: Apr. 19, 1993  
TRIAL DATE: May 3, 1993

PLEASE TAKE NOTICE that on March 31, 1993, at 8:30 a.m., or as soon  
thereafter as may be heard in Department 30 of the above-entitled Court located at  
111 North Hill Street, Los Angeles, California, plaintiff Church of Scientology  
International ("the Church") will move this Court to issue an order granting  
summary adjudication of plaintiff's Fourth, Fifth, Sixth, Seventh, Ninth and



1 Eleventh Causes of Action (for breach of contract resulting in liquidated damages)  
2 in favor of the Church, pursuant to California Code of Civil Procedure Section  
3 437c. This Motion is made on the grounds that there is no triable issue of any  
4 material fact relevant to plaintiff's enumerated claims for breach of contract, and  
5 that the Church is entitled to judgment on those causes of action as a matter of  
6 law.

7 This Motion is based on this Notice of Motion and Motion, the pleadings,  
8 records and files herein, the accompanying Memorandum of Points and Authorities,  
9 the declarations and exhibits filed herewith, the accompanying Separate Statement  
10 of Undisputed Material Facts, and such other evidence as may be adduced properly  
11 at the hearing of this Motion.

12 Dated: March 2, 1993

Respectfully submitted,

13 Andrew H. Wilson  
14 WILSON, RYAN & CAMPILONGO

15 BOWLES & MOXON

16 By:   
17 Laurie J. Bartilson

18 Attorneys for Plaintiff  
19 CHURCH OF SCIENTOLOGY  
20 INTERNATIONAL  
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TABLE OF CONTENTS

	<u>Page</u>
I. PRELIMINARY STATEMENT . . . . .	1
II. STATEMENT OF FACTS . . . . .	3
A. The Settlement Agreement . . . . .	3
B. Armstrong's Willing Participation in the Settlement Process . . . . .	5
C. Armstrong's Breaches of Paragraph 7(D) of the Agreement . . . . .	6
1. Armstrong Violated The Agreement By Providing A Declaration About His Experiences With The Church And Additional Documents To Anti-Church Litigants Vicki and Richard Aznaran. . . . .	6
2. Armstrong Violated The Agreement By Issuing A Press Release . . . . .	7
3. Armstrong Violated The Agreement By Giving Interviews To The Media . . . . .	7
4. Armstrong Violated The Agreement By His Participation In The Case of Hunziker, et al. v. Applied Materials, et al. . . . .	8
5. Armstrong Violated The Agreement By Providing A Declaration About His Experiences With The Church And Additional Documents To David Mayo, et al. . . . .	8
III. ARGUMENT. . . . .	9
A. Armstrong's Liability For The Breaches May Be Determined By Summary Adjudication . . . . .	9
B. The Undisputed Evidence Supports A Judgment For Plaintiff In The Amount of \$500,000 In Liquidated Damages . . . . .	10
CONCLUSION . . . . .	12



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TABLE OF AUTHORITIES

Page(s)

CASES

<u>Hunziker et al. v. Applied Materials, et al.,</u> Santa Clara Superior Court, Case No. 692629 . . . . .	8
<u>Nizuk v. Georges</u> (1960) 180 Cal.App.2d 699, 4 Cal.Rptr. 565 . . . . .	10
<u>Reichert v. General Insurance Company of America</u> (1968) 68 Cal.2d 822, 69 Cal.Rptr. 321, 462 P.2d 377. . . . .	11
<u>University of Southern California v. Superior Court</u> (1990) 222 Cal.App.3d 1028, 272 Cal.Rptr. 264 . . . . .	10

STATUTES

C.C.P. §437c(n)(1) . . . . .	10
Code Civ. Proc. § 437c(c). . . . .	9
Gov.Code § 53069.85. . . . .	11



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1 ("Am.Cmplt."), Fourth and Ninth Causes of Action];

2 - Provided a declaration to other litigants adverse to the Church which  
3 purported to describe his experiences in the Church and which sought to  
4 authenticate a portion of a transcript which had been ordered sealed in the earlier  
5 action between the Church and Armstrong;

6 - Had his attorney prepare and send a press release which, inter alia,  
7 purports to discuss Armstrong's experiences with the Church of Scientology  
8 [Am.Cmplt., Fifth Cause of Action];

9 - Provided a live interview to Cable News Network (CNN) in which he  
10 discussed, inter alia, his experiences with the Church of Scientology [Am.Cmplt.,  
11 Sixth Cause of Action];

12 - Provided an interview to a reporter for The American Lawyer magazine in  
13 which he also discussed, inter alia, his experiences with the Church of Scientology,  
14 in violation of his contractual obligations;

15 - Met on two separate occasions with attorneys for litigants suing the  
16 Church and discussed his experiences with the Church of Scientology with them  
17 for several hours [Am.Cmplt., Seventh Cause of Action];

18 - Agreed to appear as a purported "expert" on the Scientology religion and  
19 practice on behalf of litigants hostile to the Church of Scientology [Am.Cmplt.,  
20 Seventh Cause of Action]; and

21 - Deliberately reacquired hundreds of documents concerning the Church of  
22 Scientology and provided them to attorneys for litigants adverse to the Church.  
23 [Id.]

24 With no facts in dispute, interpretation of the meaning and effect of the  
25 contractual provisions which provide the Church with a remedy for these breaches  
26 is a matter of law for the Court, and the Fourth, Fifth, Sixth, Seventh, Ninth, and  
27 Eleventh Causes of Action may all be adjudicated in the Church's favor on a  
28



1 motion for summary adjudication.

## 2 II. STATEMENT OF FACTS

### 3 A. The Settlement Agreement

4 In December, 1986, the Church entered into the Agreement with Armstrong.  
5 The Agreement provided for a mutual release and waiver of all claims arising out of  
6 a cross-complaint which defendant Armstrong had filed in Church of Scientology of  
7 California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153.<sup>1</sup> The  
8 Agreement contains various provisions designed to guarantee that new actions  
9 were not spawned or encouraged by the conclusion of the old one. In particular,  
10 with respect to the causes of action at issue in this motion, paragraph 7(D)  
11 provides that Armstrong: (1) would not create or publish, or assist another in  
12 creating or publishing, any media publication or broadcast, concerning information  
13 about the Church of Scientology, L. Ron Hubbard, or any other persons or entities  
14 released by the Agreement; (2) would maintain "strict confidentiality and silence"  
15 with respect to his alleged experiences with the Church or any knowledge he might  
16 have concerning the Church, L. Ron Hubbard, or other Scientology-related entities  
17 and individuals; (3) would not disclose any documents which related to the Church  
18 or other identified entities and individuals; and (4) would pay to the Church  
19 \$50,000 in liquidated damages for each disclosure or other breach of that

---

22  
23 <sup>1</sup> The signatories to the Agreement were Gerald Armstrong and the Church of  
24 Scientology International, by its President, Heber Jentzsch. [Sep.St.Nos. 1, 2.] (All  
25 references to evidence are to the Separate Statement of Undisputed Facts,  
26 concurrently filed, which provides, by number, a full reference to the evidence in  
27 support of this motion. References will be made to "Sep.St.No. \_\_" for "Separate  
28 Statement of Undisputed Facts, Fact Number \_\_.") Mr. Armstrong's signature was  
witnessed by JoAnn Richardson and Michael Sutter, and the Agreement was  
signed with approval as to form and content by Mr. Armstrong's attorney, Michael  
Flynn. [Sep.St.Nos. 3, 4.]



1 paragraph.<sup>2</sup> Other paragraphs in the Agreement restricted Armstrong's ability to  
2 provide voluntary aid or advice to others litigating against the Church.<sup>3</sup>

3 The Church had good reason for negotiating these particular clauses with  
4 Armstrong. In addition to his own litigation, Armstrong fomented significant  
5 additional litigation against the Church and other Churches of Scientology, stirring  
6 up enmities of other former members. Moreover, Armstrong became involved in  
7 plot after clandestine plot to take over or even destroy his former religion. [Am.  
8 Compl., ¶ 3.]

9  
10 <sup>2</sup> Paragraph 7(D) provides, in relevant part: "Plaintiff [Armstrong] agrees never  
11 to create or publish or attempt to publish, and/or assist another to create for  
12 publication by means of magazine, article, book or other similar form, any writing  
13 or to broadcast or to assist another to create, write, film or video tape or audio  
14 tape any show, program or movie, or to grant interviews or discuss with others,  
15 concerning their experiences with the Church of Scientology, or concerning their  
16 personal or indirectly acquired knowledge or information concerning the Church of  
17 Scientology, L. Ron Hubbard or any of the organizations, individuals and entities  
18 listed in Paragraph 1 above. [Armstrong] further agrees that he will maintain strict  
19 confidentiality and silence with respect to his experiences with the Church of  
20 Scientology and any knowledge or information he may have concerning the Church  
21 of Scientology, L. Ron Hubbard, or any of the organizations, individuals and  
22 entities listed in Paragraph 1 above. [Armstrong] expressly understands that the  
23 non-disclosure provisions of this subparagraph shall apply, inter alia, but not be  
24 limited, to the contents or substance of his complaint on file in the action referred  
25 to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this  
26 Agreement, including but not limited to any tapes, films, photographs, recastings,  
variations or copies of any such materials which concern or relate to the religion of  
Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities  
listed in Paragraph 1 above... [Armstrong] agrees that if the terms of this  
paragraph are breached by him, that CSI and the other Releases would be entitled  
to liquidated damages in the amount of \$50,000 for each such breach. All monies  
received to induce or in payment for a breach of this Agreement, or any part  
thereof, shall be held in a constructive trust pending the outcome of any litigation  
over said breach. The amount of liquidated damages herein is an estimate of the  
damages each party would suffer in the event this Agreement is breached. The  
reasonableness of the amount of such damages are hereto acknowledged by  
[Armstrong]."

27 <sup>3</sup> See specifically ¶¶ 7(H), 7(G), 10, 7(D), 18(D), 20 of the Agreement.  
28 [Exhibit B to Sep. St.]



1 Armstrong received a portion of a total settlement amount paid to his  
2 attorney, Michael Flynn, in a block settlement with all of Mr. Flynn's clients who  
3 were in litigation with any Church of Scientology or related entity. [Sep.St.No. 7.]  
4 The exact portion of the settlement which Armstrong received was supposed to  
5 have remained confidential between Mr. Flynn and Armstrong; however,  
6 Armstrong has stated to the media that he received \$800,000 as his portion of the  
7 block settlement, and has proffered documentary evidence to support this figure.  
8 [Sep.St.No. 8.]

9 **B. Armstrong's Willing Participation in the Settlement Process**

10 At the time of the settlement, the Church had little reason to trust  
11 Armstrong. Consequently, Church counsel insisted that Armstrong execute the  
12 Agreement on videotape, before several witnesses and a notary public, with his  
13 own lawyer present, in order to ensure that Armstrong would not later attempt to  
14 invalidate the Agreement through the subterfuge of claims of duress or the like.  
15 During the videotaping, a jovial and relaxed Armstrong joked with his counsel, and,  
16 in a light-hearted mood, signed the Agreement. Armstrong engaged in the  
17 following colloquy with Church counsel Larry Heller at that time:

18 HELLER: O.K. Ah, Mr. Armstrong, I'm going to ask you to sign three  
19 documents, ah, a Mutual Release of All Claims and Settlement  
20 Agreement, and two separate affidavits. Prior to doing so, however, I  
21 would like to ask you some questions with regard to those  
22 documents, um-hm, excuse me, which I would like you to answer  
23 freely and honestly, if you would. Ah, first of all, have you had a  
24 chance to, ah, completely and comprehensively review and read these  
25 documents?

26 ARMSTRONG: Yeah.

27 HELLER: O.K. Have you had a chance to discuss these documents  
28 with your attorney, Mr. Flynn?

ARMSTRONG: Yes.

HELLER: Has Mr. Flynn explained these documents as well as the  
legal and factual ramifications to you, legal and practical ramifications  
to you to your satisfaction?



1 ARMSTRONG: Uh, I think so, yes.

2 HELLER: O.k. Well, do you have any question of that whatsoever?

3 ARMSTRONG: No, I have no current questions about it.

4 HELLER: O.k. Very good. You are going to sign these of your own  
5 free will?

6 ARMSTRONG: Yes.

7 HELLER: O.k. You are not suffering from any duress or coercion  
8 which is compelling you to sign these documents?

9 ARMSTRONG: No.

10 HELLER: All right. You are not presently under the influence of  
11 alcohol or any medication, prescription or otherwise, which would  
12 impede your ability to comprehend the legal and factual intent of  
13 these documents?

14 ARMSTRONG: No.

15 [Sep.St.No. 6.] Armstrong has also admitted that, prior to signing the Agreement,  
16 he consulted not just Flynn, but another lawyer, Michael Walton, about the  
17 Agreement. [Sep.St.No. 5.]

18 **C. Armstrong's Breaches of Paragraph 7(D) of the Agreement**

19 **1. Armstrong Violated The Agreement By Providing A Declaration About**  
20 **His Experiences With The Church And Additional Documents To Anti-**  
21 **Church Litigants Vicki**  
22 **And Richard Aznaran**

23 Vicki and Richard Aznaran ("the Aznarans"), are former Church members  
24 currently engaged in litigation against the Church and others. [Sep.St.No. 11.] In  
25 June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained  
26 Joseph A. Yanny to represent them.

27 While counsel for the Aznarans, Yanny hired Armstrong, in Yanny's own  
28 words "as a paralegal to help [Yanny] on the Aznaran case." [Sep.St.No. 11A.]  
Yanny was well aware that Armstrong was prohibited from this conduct by the  
Agreement: Yanny was one of the attorneys representing the Church at the time  
that the Agreement was made. Thereafter, in July, 1991, Yanny was disqualified



1 from his representation of the Aznarans by the Court sua sponte, because Yanny  
2 had formerly acted as general counsel for the Church and other related entities,  
3 thus rendering his appearance on behalf of the Aznarans "highly prejudicial" to the  
4 Church. In the same order, the Court reinstated Ford Greene as the Aznarans'  
5 counsel. Armstrong immediately began working for Ford Greene.

6 The undisputed evidence -- comprised of Armstrong's own admissions -- is  
7 that on August 26, 1991, while working for Greene, Armstrong provided the  
8 Aznarans with a declaration, which was filed in their case. Armstrong has  
9 admitted that he drafted and signed the declaration, and that the declaration  
10 contains descriptions of some of his alleged experiences with and knowledge of  
11 the Church. Armstrong also attached to the declaration, and purported to  
12 authenticate, copies of two documents which concern the Church, the Scientology  
13 religion, and/or other protected entities and individuals. [Sep.St.No. 12.] This  
14 declaration, and the attached documents, are violations of Armstrong's agreement,  
15 contained in ¶7(D), to maintain strict confidentiality concerning those matters.

16 **2. Armstrong Violated The Agreement**  
17 **By Issuing A Press Release**

18 Armstrong has also admitted that, on March 20, 1992, Armstrong and his  
19 attorney, Ford Greene, issued a press release which contains Armstrong's version  
20 of some of his alleged experiences with the Church. [Sep.St.No. 13.] This is  
21 another violation of ¶7(D) of the Agreement.

22 **3. Armstrong Violated The Agreement**  
23 **By Giving Interviews To The Media**

24 Armstrong was not content merely to issue a press release last March.  
25 Armstrong also has admitted in deposition that on March 19 and 20, 1992, he  
26 gave interviews to various reporters, including a reporter for CNN. In his CNN  
27 interview, Armstrong discussed his alleged experiences with the Church of  
28 Scientology. The interview was videotaped, then broadcast repeatedly on CNN.



1 [Sep.St.No. 14-16.] In addition, Armstrong has admitted to a 1992 interview  
2 with William Horne, a reporter with The American Lawyer, in which he also  
3 discussed his Scientology experiences. [Sep.St.No. 17.] Each of these interviews  
4 constitutes a breach of ¶7(D) of the Agreement.

5 **4. Armstrong Violated The Agreement By His**  
6 **Participation In The Case of Hunziker, et al.**  
**v. Applied Materials, et al.**

7 Armstrong has also admitted, under oath, that in February, 1992, he agreed  
8 to appear in the case of Hunziker et al. v. Applied Materials, et al., Santa Clara  
9 Superior Court, Case No. 692629, as an "expert witness" on the subject of  
10 Scientology beliefs and practices, on behalf of plaintiffs Hunziker, Schumach and  
11 Saunders.<sup>4</sup> [Sep.St.No. 20.] On February 21, 1992, he met with Schumach's  
12 attorney, James Rummonds, for two to three hours, and discussed his alleged  
13 experiences with Scientology. [Sep.St.No. 20.] On February 23, 1992, he met  
14 with Hunziker's attorney, John C. Elstead, and again discussed his knowledge of  
15 Scientology. [Sep.St.No. 21.] In addition, Armstrong produced documents  
16 concerning Scientology to Hunziker's attorneys on March 8, 1992. [Sep.St.No.  
17 22.] These actions are all individual and separate violations of ¶7(D) of the  
18 Agreement.

19 **5. Armstrong Violated The Agreement By**  
20 **Providing A Declaration About His Experiences**  
21 **With The Church And Additional Documents**  
**To David Mayo, et al.**

22 The facts are also undisputed that, on May 27, 1992, Armstrong provided a

---

23 <sup>4</sup> The Hunziker case was an employment discrimination case, brought by ex-  
24 employees of defendant Applied Materials, who claimed that management training  
25 courses offered by their employer were actually Scientology courses. Although the  
26 Church was not a party to the action, a Church-related entity, the World Institute  
27 of Scientology Enterprises (WISE), was a named, but unserved, defendant. The  
28 case settled prior to trial. WISE is a Church of Scientology affiliated organization  
and is thus a "releasee" under the terms of the Settlement Agreement. [Sep.St.No.  
18-19.)



1 declaration to attorneys for litigants David Mayo, Church of the New Civilization,  
2 John Nelson, Harvey Haber, Vivien Zegel and Dede Reisdorf, which was filed in the  
3 consolidated cases of Religious Technology Center, et al. v. Robin Scott, et al.,  
4 and Religious Technology Center, et al. v. Wollersheim, et al., United States  
5 District Court for the Central District of California, Case Nos. CV 85-711 JMI (Bx)  
6 and CV 85-7197 JMI (Bx) ("the Scott case") [Sep.St.Nos. 24-25]. The Church  
7 and related entities - Church of Scientology of California and Religious Technology  
8 Center - are plaintiffs in the Scott case. In the declaration, Armstrong purports to  
9 authenticate an earlier declaration which describes some of his alleged experiences  
10 with the Church, as well as a portion of a transcript which was ordered sealed in  
11 the earlier action between the Church and Armstrong. [Id.] These actions are  
12 separate and further violations of ¶7(D), triggering the liquidated damages remedy.

### 13 III. ARGUMENT

#### 14 A. Armstrong's Liability For The Breaches May Be 15 Determined By Summary Adjudication

16 A motion for summary adjudication "shall be granted if all the papers  
17 submitted show that there is no triable issue as to any material fact and that the  
18 moving party is entitled to a judgment as a matter of law." Code Civ. Proc. §  
19 437c(c). Moreover, under a provision recently added to the Code of Civil  
20 Procedure:

21 (n) For purposes of motions for summary judgment and  
22 summary adjudication:

23 (1) a plaintiff or cross-complainant has met his or her burden of  
24 showing that there is no defense to a cause of action if that party has  
25 proved each element of the cause of action entitling the party to  
26 judgment on that cause of action. Once the plaintiff or cross-  
27 defendant has met that burden, the burden shifts to the defendant or  
28 cross-defendant to show that a triable issue of one or more material



1 facts exists as to that cause of action.

2 C.C.P. §437c(n)(1). As demonstrated below, and in the Separate Statement of  
3 Undisputed Facts, the Church has met its burden by proving, from Armstrong's  
4 own admissions, each element of the causes of action for breach of contract for  
5 which summary adjudication is sought.

6 Once the moving party has shown the nonexistence of a factual dispute as  
7 to a material fact, the party opposing the motion can avoid summary adjudication  
8 only by presenting evidence tending to demonstrate that there exists a triable issue  
9 of material fact. See, e.g., University of Southern California v. Superior Court  
10 (1990) 222 Cal.App.3d 1028, 1036, 272 Cal.Rptr. 264, 268-269.

11 Indeed, courts have found that summary adjudication can be particularly  
12 appropriate for a cause of action for breach of a written contract. "Where there is  
13 no conflict as to the terms of a contract, and where its provisions are not uncertain  
14 or ambiguous, its 'meaning and effect \* \* \* and the relation of the parties to it  
15 thereby created \* \* \* become a question of law to be decided by the court.'" Nizuk v. Georges  
16 (1960) 180 Cal.App.2d 699, 705, 4 Cal.Rptr. 565, 570  
17 (citations omitted) (Liability under written employment contract properly decided on  
18 motion for summary judgment). Here, the parties agree on the existence of the  
19 written contract between them [Sep.St.No. 1], and there is no dispute as to its  
20 language or terms. The evidence of the breaches consists of undenied facts  
21 presented by plaintiff and the admissions of the defendant himself. All that remains  
22 to be decided -- the meaning and effect of those terms -- is a question of law for  
23 the court.

24 **B. The Undisputed Evidence Supports A Judgment For Plaintiff**  
25 **In The Amount of \$500,000 In Liquidated Damages**

26 To establish its claim for breach of contract, the Church must establish, by  
27 competent and undisputed evidence, "(1) the contract, (2) plaintiff's performance  
28 or excuse for nonperformance, (3) defendant's breach, and (4) the resulting



1 damages to plaintiff." Reichert v. General Insurance Company of America (1968)  
2 68 Cal.2d 822, 830, 69 Cal.Rptr. 321, 325, 462 P.2d 377.

3 Each of these elements is fully established by undisputed evidence as to  
4 plaintiff's Fourth, Fifth, Sixth, Seventh, Ninth and Eleventh Causes of Action.  
5 Armstrong has fully identified and authenticated the Agreement [Ex. B to Sep.St.]  
6 and his signature thereon. [Sep.St.No. 4.] He has acknowledged that he signed  
7 the Agreement while fully expecting to be paid the settlement figure which he and  
8 his attorney agreed upon, and he has admitted that he received that amount.  
9 [Sep.St.No. 7.] It is also undisputed that the amount was \$800,000, not a small  
10 or nominal sum. [Sep.St.No. 8.] The payment of money to Armstrong's attorney is  
11 the sole consideration required of plaintiff pursuant to the Agreement, and it was  
12 fully paid within days of the signing of the Agreement. [Sep.St.Nos. 1,7.]

13 Armstrong's breaches have been detailed in Part II. C, supra, and are set  
14 forth, with their supporting evidence, in the accompanying separate statement.  
15 Each of the acts that constitute a breach has been admitted by Armstrong, either  
16 in his Answer to the Amended Complaint, in deposition, or both. The evidence  
17 chronicled in the separate statement demonstrates not one, but ten, separate,  
18 individual breaches of paragraph 7(D) of the Agreement.

19 The damages suffered by plaintiff by reason of Armstrong's breaches of  
20 paragraph 7(D) of the Agreement are also without dispute. As part of the  
21 Agreement, the parties settled on \$50,000, as liquidated damages, which would  
22 compensate plaintiff for each breach of ¶7(D). Armstrong and his attorney agreed,  
23 when they signed the Agreement, that this was a reasonable amount. [Sep.St.No.  
24 9.] Under California law, such a liquidated damages provision is presumed valid  
25 unless it is shown to be "manifestly unreasonable under the circumstances existing  
26 at the time the contract was made." Gov.Code § 53069.85.

27 The evidence is undisputed that at the time the Agreement was made, the  
28



1 Church was settling not one, but 14 lawsuits. The cost to the Church of litigating  
2 all of those claims was extremely high. Armstrong and his lawyer knew that the  
3 Church was only willing to provide him with such a substantial sum in settlement  
4 on the condition that all of the extended litigation terminate. [Sep.St.No. 10.]  
5 Armstrong and his lawyer also knew that it was impossible to calculate, at the  
6 time of settlement, the likely cost to plaintiff should Armstrong breach his  
7 agreement to maintain silence, and begin, as he has, providing untruthful and  
8 biased accounts concerning plaintiff to litigants and the media. The Church was  
9 aware of Armstrong's substantial activities in both aiding other anti-Church  
10 litigants and in inciting others to attack, or even infiltrate, the Church based on his  
11 tall tales and his inclination for intrigue. The stipulated amount was plainly  
12 reasonable in light of the substantial amount of the settlement, the cost of the  
13 litigation being settled, and the highly speculative nature of the overall financial  
14 effect that breaches by Armstrong would be likely to create.

#### 15 CONCLUSION

16 Armstrong has admitted to ten separate breaches of the Agreement which  
17 require him to pay the Church \$500,000 in liquidated damages. There are no  
18 disputed issues of fact as to any of the elements of plaintiff's claims. Plaintiff is,  
19 accordingly, entitled to summary adjudication of its Fourth, Fifth, Sixth, Seventh,  
20 Ninth and Eleventh Causes of Action, and it is entitled to entry of judgment on

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1 those claims in the amount of \$500,000.

2 Dated: March 2, 1993

Respectfully submitted,

3 Andrew H. Wilson  
4 WILSON, RYAN & CAMPILONGO

5 BOWLES & MOXON

6 By:   
7 Laurie J. Bartilson

8 Attorneys for Plaintiff  
9 CHURCH OF SCIENTOLOGY  
10 INTERNATIONAL

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PROOF OF SERVICE

STATE OF CALIFORNIA       )  
                                  )   ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On MARCH 2, 1993, I served the foregoing document described as PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, FIFTH, SIXTH, SEVENTH, NINTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S COMPLAINT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF on interested parties in this action by

[ ] placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] placing [ ] the original [X] a true copy thereof in sealed envelopes addressed as follows:

Ford Greene  
HUB Law Offices  
711 Sir Francis Drake Boulevard  
San Anselmo, CA   9490-1949

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of



deposit for mailing in affidavit.

Executed on March 2, 1993, at Los Angeles, California.

[ ] \*\*(BY PERSONAL SERVICE) I delivered such envelope by hand to the addressee.

Executed on \_\_\_\_\_, 1993, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

---

Type or Print Name

---

Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



PROOF OF SERVICE

STATE OF CALIFORNIA       )  
                                  )   ss.  
COUNTY OF LOS ANGELES    )

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- [ ] placing the true copies thereof in sealed envelopes as stated on the attached mailing list;
- [X] placing [ ] the original [X] a true copy thereof in sealed envelopes addressed as follows:

Paul Morantz           **BY HAND**  
P.O. Box 511  
Pacific Palisades, CA 90272

- [ ] BY MAIL
- [ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.
- [ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of

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[X] \*\*(BY PERSONAL SERVICE) I delivered such envelope by hand to the offices of the addressee.

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Type or Print Name

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Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



1 Andrew H. Wilson  
2 WILSON, RYAN & CAMPILONGO  
3 235 Montgomery Street  
4 Suite 450  
5 San Francisco, California 94104  
6 (415) 391-3900

7 Laurie J. Bartilson  
8 BOWLES & MOXON  
9 6255 Sunset Boulevard, Suite 2000  
10 Hollywood, CA 90028  
11 (213) 661-4030

12 Attorneys for Plaintiff  
13 CHURCH OF SCIENTOLOGY  
14 INTERNATIONAL

ORIGINAL FILED

MAR 2 - 1993

LOS ANGELES  
SUPERIOR COURT

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES

12 CHURCH OF SCIENTOLOGY  
13 INTERNATIONAL, a California not-for-profit )  
14 religious corporation, )

15 Plaintiff,

16 vs.  
17

18 GERALD ARMSTRONG; DOES 1 through )  
19 25, inclusive, )  
20 )

21 Defendants.  
22

CASE NO. BC 052395

) PLAINTIFF'S NOTICE OF MOTION  
) AND MOTION FOR SUMMARY  
) ADJUDICATION OF THE  
) TWELFTH CAUSE OF ACTION OF  
) PLAINTIFF'S COMPLAINT;  
) MEMORANDUM OF POINTS AND  
) AUTHORITIES IN SUPPORT  
) THEREOF

) DATE: March 31, 1993

) TIME: 8:30 a.m.

) DEPT: 30

) DISC.CUT-OFF: Apr. 2, 1993

) MTN CUT-OFF: Apr. 19, 1993

) TRIAL DATE: May 3, 1993

23 PLEASE TAKE NOTICE that on March 31, 1993, at 8:30 a.m., or as soon  
24 thereafter as may be heard in Department 30 of the above-entitled Court located at  
25 111 North Hill Street, Los Angeles, California, plaintiff Church of Scientology  
26 International ("the Church") will move this Court to issue an order granting  
27 summary adjudication of plaintiff's Twelfth Cause of Action (for permanent  
28 injunction for breach of contract) in favor of the Church, pursuant to California

1 Code of Civil Procedure Section 437c. This Motion is made on the grounds that  
2 there is no triable issue of any material fact relevant to plaintiff's claim for  
3 injunction relief, and that the Church is entitled to judgment on the Twelfth Cause  
4 of Action as a matter of law.

5 This Motion is based on this Notice of Motion and Motion, the pleadings,  
6 records and files herein, the accompanying Memorandum of Points and Authorities,  
7 the declarations and exhibits filed herewith, the accompanying Separate Statement  
8 of Undisputed Material Facts, and such other evidence as may be adduced properly  
9 at the hearing of this Motion.

10 Dated: March 2, 1993

Respectfully submitted,

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

BOWLES & MOXON

11  
12  
13  
14 By:   
15 Laurie J. Bartison

16 Attorneys for Plaintiff  
17 CHURCH OF SCIENTOLOGY  
18 INTERNATIONAL  
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## TABLE OF CONTENTS

	<u>Page</u>
I. PRELIMINARY STATEMENT . . . . .	1
II. STATEMENT OF FACTS . . . . .	2
A. The Settlement Agreement . . . . .	2
B. Armstrong's Admitted Breaches Of The Agreement . . . . .	3
C. Armstrong's Intention To Commit Future Breaches . . . . .	7
III. ARGUMENT . . . . .	9
A. The Necessity Of A Permanent Injunction May Be Determined By Summary Adjudication . . . . .	9
B. An Injunction May Be Granted To Prevent The Breach Of A Contract The Performance Of Which Would Be Specifically Enforced . . . . .	10
C. Prevention Of Irreparable Injury And Avoidance Of Multiplicity Of Actions Requires The Court To Issue A Permanent Injunction . . . . .	11
1. The Church Will Be Irreparably Harmed Absent The Issuance Of An Injunction . . . . .	13
2. Armstrong Must Be Permanently Enjoined To Prevent A Multiplicity Of Actions . . . . .	13
3. A Balancing Of The Equities Requires The Court To Issue A Permanent Injunction . . . . .	14
IV. CONCLUSION . . . . .	15

## TABLE OF AUTHORITIES

Page(s)

### CASES

<u>Angel Casillas v. Jerry Whitfield, Hana Whitfield and Does 1-25,</u> Los Angeles Municipal Court Case No. 91K49349	6
<u>Camp v. Mendocino County Board of Supervisors</u> (1981) 123 Cal.App.3d 334, 176 Cal.Rptr. 620	10
<u>D.H. Overmyer Co. v. Frick Co.</u> (1972) 405 U.S. 174, 92 S.Ct. 775, 31 L.Ed.2d 124	15
<u>In re Steinberg</u> (1983) 148 Cal.App.3d 14, 195 Cal.Rptr. 613	15
<u>ITT Telecomm Products Corporation v. Dooley</u> (1989) 214 Cal.App.3d 307, 262 Cal.Rptr. 773	14
<u>McLean v. Church of Scientology of California</u> (11th Cir. 1991)	12
<u>Merrill Lynch, Pierce, Fenner &amp; Smith, Inc. v. Stidham</u> (5th Cir. 1981) 658 F.2d 1098	15
<u>NCH Corporation v. Share Corp.</u> (5th Cir. 1985) 757 F.2d 1540	15
<u>Nizuk v. Georges</u> (1960) 180 Cal.App.2d 699, 4 Cal.Rptr. 565	10
<u>Phelps v. Kozakar</u> (1983) 146 Cal.App.3d 1078, 194 Cal.Rptr. 872	15
<u>Robbins v. Superior Court</u> (1985) 38 Cal.3d 199, 211 Cal.Rptr. 398	14
<u>Southern Christian Leadership Conference of Greater Los Angeles v. Al Malaikah Auditorium Co.</u> (1991) 230 Cal.App.3d 207, 281 Cal.Rptr. 216	11
<u>Steinmeyer v. Warner Consolidated Corp.</u> (1974) 42 Cal.App.3d 515, 116 Cal.Rptr. 57	10
<u>Taramind Lithography Workshop, Inc. v. Sanders</u> (1983) 143 Cal.App.3d. 571, 193 Cal.Rptr. 409	11
<u>University of Southern California v. Superior Court</u> (1990) 222 Cal.App.3d 1028, 272 Cal.Rptr. 264	10



1	<u>Wakefield v. Church of Scientology of California</u>	
2	(11th Cir. 1991) 938 F.2d 1226 . . . . .	11, 12
3	<u>Zoecon Industries v. American Stockman Tag Company</u>	
4	(5th Cir. 1983) 713 F.2d 1174 . . . . .	15

STATUTES

6	C.C.P. § 437c(n)(1) . . . . .	10
7	C.C.P. § 526 . . . . .	10
8	C.C.P. § 526(5) . . . . .	11
9	Civil Code § 3389 . . . . .	11
10	Civil Code § 3422(1), (3) . . . . .	11
11	Code Civ. Proc. § 437c(c) . . . . .	9

OTHER AUTHORITIES

12  
13  
14  
15  
16  
17  
18  
19  
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## I. PRELIMINARY STATEMENT

In December, 1986, plaintiff Church of Scientology International ("the Church" or "plaintiff") sought to end bitter and protracted litigation with former Church staff member Gerald Armstrong ("Armstrong" or "defendant"). Armstrong had been expelled from the Scientology religion after stealing confidential documents belonging to the religion's Founder, L. Ron Hubbard. He later embarked upon a campaign of activities, both overt and covert, intended to: divide Church members from the ecclesiastical leaders of the Church; forge incriminating documents and plant them in Church files in advance of an orchestrated raid on Church facilities coordinated by Armstrong and government agents to "discover" and seize the forged documents planted in Church files; and, get Church members to disaffect and file lawsuits against the Church on the basis of naked allegations unsupportable by any evidence. In Armstrong's own words, "we don't have to prove a goddamn thing. We don't have to prove s--t; we just have to allege it." [Amended Complaint, ¶¶ 10, 12]

Armstrong's lengthy campaign was ended, or so plaintiff thought, when he entered into a confidential Settlement Agreement (the "Agreement") with plaintiff in 1986. [Sep.St. No. 1] The terms of the Agreement required Armstrong not merely to end his own litigation against plaintiff, but among other things, it also required Armstrong to refrain from aiding others in litigation, to return to the Church the documents which he had stolen and all copies of them, to refrain from discussing with third parties his experiences with the Scientology faith, and to keep confidential all terms of the Agreement itself. In exchange for his promises, Armstrong admittedly received \$800,000 from the Church. [Sep.St.Nos. 12-14]

The Church has fully performed all of its obligations pursuant to the Agreement. The facts are undisputed, however, that Armstrong has breached the Agreement repeatedly and deliberately. Because of these breaches, a preliminary injunction was issued by the Court on May 28, 1992. Rather than complying with



1 that injunction, Armstrong defiantly proclaimed under oath that he will not be  
2 compelled to comply with the terms of the Agreement by anyone, saying:

3 I have absolutely no intention of honoring that settlement  
4 agreement. I cannot. I cannot logically. I cannot ethically. I cannot  
5 morally. I cannot psychically. I cannot philosophically. I cannot  
6 spiritually. I cannot in any way. And it is firmly my intention to not  
7 honor it.

8 Q. No matter what a court says?

9 A. No court could order it. They're going to have to kill me.

10 [Sep.St.No. 20]

11 True to his word, Armstrong has continued to violate the terms of the  
12 Agreement and the preliminary injunction. To prevent a multiplicity of future  
13 actions for breach, and to prevent the irreparable harm that inevitably results from  
14 the sort of fanatical defiance which Armstrong exhibits, the Church seeks a  
15 permanent injunction by this motion.

16 With no facts in dispute, interpretation of the meaning and effect of the  
17 contractual provisions which support the Church's request for a permanent  
18 injunction enforcing the contract is a matter of law for the Court, and judgment on  
19 the Twelfth Cause of Action should be entered in the Church's favor on this  
20 motion for summary adjudication.

## 21 II. STATEMENT OF FACTS

### 22 A. The Settlement Agreement

23 In December, 1986, the Church entered into the Agreement with Armstrong.  
24 The Agreement provided for a mutual release and waiver of all claims arising out of  
25 a cross-complaint which defendant Armstrong had filed in Church of Scientology of  
26 California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153.<sup>1</sup> The

---

27 <sup>1</sup> The signatories to the Agreement were Gerald Armstrong and the Church of  
28 Scientology International, by its President, Heber Jentzsch. [Sep.St.Nos. 1, 2] (All  
references to evidence are to the Separate Statement of Undisputed Facts,  
concurrently filed, which provides, by number, a full reference to the evidence in  
(continued...)



1 Agreement contains various provisions designed to guarantee that new actions  
2 were not spawned or encouraged by the conclusion of the old one.<sup>2</sup> In particular,  
3 various paragraphs of the Agreement provided that Armstrong: (1) would not  
4 provide voluntary aid or advice to others litigating against the Church; (2) would  
5 not create or publish, or assist another in creating or publishing, any media  
6 publication or broadcast, concerning information about the Church of Scientology,  
7 L. Ron Hubbard, or any other persons or entities released by the Agreement; (3)  
8 would maintain "strict confidentiality and silence" with respect to his alleged  
9 experiences with the Church or any knowledge he might have concerning the  
10 Church, L. Ron Hubbard, or other Scientology-related entities and individuals; and  
11 (4) would not disclose any documents which related to the Church or other  
12 protected entities and individuals.

13 Armstrong admittedly received \$800,000 as his portion of a total settlement  
14 paid to his attorney, Michael Flynn, in a block settlement concerning all of Mr.  
15 Flynn's clients who were in litigation with any Church of Scientology or related  
16 entity. [Sep.St.No. 14]

17 **B. Armstrong's Admitted Breaches Of The Agreement**

18 That Armstrong repeatedly has breached the above-described paragraphs of  
19 the Agreement is not in dispute. Evidence consisting of Armstrong's own  
20 admissions illuminates at least the following deliberate breaches by Armstrong:

- 21     ○ In July, 1991, Armstrong provided voluntary aid and assistance to  
22

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23 <sup>1</sup>(...continued)

24 support of this motion. References will be made to "Sep.St.No. \_\_" for "Separate  
25 Statement of Undisputed Facts, Fact Number \_\_.") Mr. Armstrong's signature was  
26 witnessed by JoAnn Richardson and Michael Sutter, and the Agreement was signed  
with approval as to form and content by Mr. Armstrong's attorney, Michael Flynn.  
[Sep.St.Nos. 3, 4]

27 <sup>2</sup> See specifically ¶¶ 7(H), 7(G), 10, 7(D), 18(D), 20 of the Agreement. [Exhibit  
28 A to Sep. St.]



1 Joseph Yanny, an attorney for Vicki and Richard Aznaran ("the Aznarans") in the  
2 Aznarans' litigation against the Church, in violation of paragraphs 10 and 7(G) of  
3 the Agreement;<sup>3</sup>

4       ○ In July, 1991, Armstrong provided aid to Yanny in Yanny's own  
5 litigation against the Church and related entities, including giving Yanny  
6 declarations disclosing the confidential terms of the Agreement, in violation of  
7 paragraphs 10, 7(G) and 18(D) of the Agreement;<sup>4</sup>

8       ○ From August, 1991 until at least July, 1992, Armstrong provided aid to  
9 the Aznarans' current attorney, Ford Greene, in the Aznarans' litigation against the  
10 Church, including providing the Aznarans with declarations about his own  
11 experiences with Scientology, the terms of the Agreement, and documents  
12 concerning Scientology, in violation of paragraphs 10, 7(G), 7(D) and 18(D) of the  
13  
14  
15

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16 <sup>3</sup> The Aznarans are former Church members currently engaged in litigation against  
17 CSI and others. In June, 1991, the Aznarans discharged their attorney, Ford Greene,  
18 and retained Joseph A. Yanny to represent them. [Am.Compl., ¶¶ 18 -19] While  
19 counsel for the Aznarans, Yanny hired Armstrong, in Yanny's own words "as a  
20 paralegal to help [Yanny] on the Aznaran case." In a holographic declaration supplied  
21 to Yanny, Armstrong admitted that Yanny called him on July 10, 1991, and asked for  
22 Armstrong's help in Yanny's representation of the Aznarans; that Armstrong agreed  
23 to help Yanny with the Aznarans' case; that he would travel to Los Angeles for that  
24 express purpose on July 12, 1991; and that Armstrong asked Yanny to pay him \$500  
25 for his services. Armstrong admits that he did travel to Los Angeles, did stay with  
26 Yanny on July 15 and 16, and wrote a declaration for Yanny and the Aznarans. Yanny  
27 has also admitted that he hired Armstrong as a paralegal against the Church and other  
28 related entities. [Sep.St. Nos. 30, 37]

24 <sup>4</sup> After Yanny entered his appearance for the Aznarans and indicated to Church  
25 counsel that he represented Armstrong as well, the Church and two related entities  
26 sued Yanny in this Court. In that proceeding, Yanny filed two declarations prepared  
27 and executed by Armstrong in which Armstrong asserts knowledge of settlements,  
28 including his own, which he purportedly gleaned by working as a paralegal for yet  
another law firm. The declarations were offered by Yanny as part of Yanny's defense.  
Moreover, Armstrong attached a copy of the Agreement as an exhibit to one of the  
declarations. [Sep.St.Nos. 31 - 32]



1 Agreement;<sup>5</sup>

2       ○ In March, 1992, Armstrong provided media interviews to reporters from,  
3 inter alia, Cable News Network, and The American Lawyer, in which he discussed  
4 his experiences with Scientology and the terms of the Agreement, in violation of  
5 paragraphs 7(D) and 18(D) of the Agreement;<sup>6</sup>

6       ○ In March, 1992, Armstrong provided aid to lawyers for litigants opposing  
7 a Church-affiliated entity in the case of Hunziker et al. v. Applied Materials et al.,  
8 Santa Clara Superior Court, Case No. 692629, discussing with them for hours his  
9 experiences in Scientology, providing them with documents, and voluntarily  
10 agreeing to appear for them as an "expert witness" on the subject of Scientology,  
11  
12

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13       <sup>5</sup> After Yanny's substitution into the Aznarans' case was summarily vacated,  
14 Ford Greene was reinstated as the Aznarans' counsel of record. In a letter to the  
15 Church's counsel dated August 21, 1991, Armstrong admitted that he had been  
16 working at Greene's office with Greene on the Aznarans' case, helping him to prepare  
17 responses to summary judgment motions filed in that case. [Sep.St.No. 16] Both  
18 Armstrong and Greene freely admitted in sworn declarations that Greene employed  
19 Armstrong as a paralegal in the Aznaran case, even after this case was filed.  
20 [Sep.St.Nos. 17-18] Armstrong himself described his activities as follows:

21       My help to Ford Greene in all of the papers recently filed has been  
22 in proofreading, copying, collating, hole-punching, stapling, stamping,  
23 packaging, labeling, air freighting, and mailing. Mr. Greene and I have  
24 had several conversations during this period, some of which certainly  
25 concerned the litigation.

26       [Id.]

27       As Greene's paralegal, Armstrong has, since July, 1992, further admitted to  
28 "broadly discussing" with the Aznarans matters concerning their case against the  
Church and assisting in the relay of communications between the Aznarans and  
Greene. [Id.] See also, the Church's concurrently filed Memorandum of Points and  
Authorities in Support of Motion for Summary Adjudication of the Fourth, Fifth, Sixth,  
Seventh, Ninth, and Eleventh Causes of Action ("Liquidated Damages Motion"), pp.  
7 - 8, and the Separate Statement of Undisputed Facts thereto, Nos. 14 - 15,  
incorporated herein by reference.

<sup>6</sup> See the Liquidated Damages Motion, pp. 8 - 9, and the Separate Statement of  
Undisputed Facts thereto, Nos. 13 - 17.



1 in violation of paragraphs 7(D), 7(G) and 10 of the Agreement;<sup>7</sup>

2       ○ In May, 1992, Armstrong provided aid to lawyers for David Mayo and  
3 Church of the New Civilization, litigants opposing the Church in the consolidated  
4 case of Religious Technology Center et al. v. Scott et al., and Religious Technology  
5 Center, et al. v. Wollersheim, et al., United States District Court for the Central  
6 District of California, Case Nos. CV 85-711 JMI(Bx) and CV 85-7197 JMI(Bx)  
7 discussing with them his experiences in Scientology, and providing them with a  
8 declaration, in violation of paragraphs 7(D), 7(G) and 10 of the Agreement;<sup>8</sup>

9       ○ In 1992, Armstrong provided aid to Ed Roberts, interviewing him at least  
10 seven times concerning Roberts' claims against the Church, and writing to Church  
11 lawyers seeking a "settlement" on Roberts' behalf, in violation of paragraphs 7(G)  
12 and 10 of the Agreement;<sup>9</sup>

13       ○ In November, 1992, Armstrong engaged in a lengthy, videotaped  
14 interview concerning his purported Church experiences with Church litigation  
15 adversary Jerry Whitfield and others, in violation of paragraphs 7(D), 7(G), 10 and  
16 18(D) of the Agreement.<sup>10</sup>

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18 <sup>7</sup> See the Liquidated Damages Motion, pp. 9 - 10, and the Separate Statement  
19 of Undisputed Facts thereto, Nos. 18 - 22.

20 <sup>8</sup> See the Liquidated Damages Motion, pg. 10, and the Separate Statement of  
21 Undisputed Facts thereto, Nos. 24 - 25.

22 <sup>9</sup> Armstrong has admitted both to aiding Mr. Roberts by acting as Greene's  
23 paralegal, and on his own. In a letter of December 22, 1992, Armstrong asserted that  
24 he "is the only person in the world willing to help Mr. Roberts against your  
25 organization." In that letter, Armstrong includes the payment of an unspecified  
26 amount to Mr. Roberts as a "condition" to the ending of Armstrong's campaign of  
27 harassment against the Church. [Sep.St.No. 35]

28 <sup>10</sup> Whitfield, a self-proclaimed "specialist" in the "deprogramming" of Church of  
Scientology parishioners, is currently a defendant in a false imprisonment and false  
arrest suit brought by Church staff member Angel Casillas, Angel Casillas v. Jerry  
Whitfield, Hana Whitfield and Does 1-25, Los Angeles Municipal Court Case No.  
91K49349.



1 **C. Armstrong's Intention To Commit Future Breaches**

2 Armstrong's intention to continue to breach the Agreement, regardless of  
3 the consequences, is also not in dispute. On May 28, 1992, this Court issued a  
4 preliminary injunction in this case, which is in effect, and which provided in  
5 relevant part:

6 Defendant Gerald Armstrong, his agents, and persons acting in  
7 concert or conspiracy with him (excluding attorneys at law who are  
8 not said defendant's agents or retained by him) are restrained and  
enjoined during the pendency of this suit pending further order of this  
court from doing directly or indirectly any of the following:

9 Voluntarily assisting any person (not a governmental organ or  
10 entity) intending to make, intending to press, intending to arbitrate, or  
intending to litigate a claim against the persons referred to in sec. 1 of  
11 the "Mutual Release of All Claims and Settlement Agreement" of  
December 1986 regarding such claim or regarding pressing, arbitrating  
12 or litigating it.

13 Voluntarily assisting any person (not a governmental organ or  
14 entity) arbitrating or litigating a claim against the persons referred to in  
sec. 1 of the "Mutual Release of All Claims and Settlement  
Agreement" of December, 1986.

15 [Sep.St.No. 29]<sup>11</sup> These particular prohibitions against Armstrong voluntarily  
16 assisting litigants and other claimants were based on paragraph 7G of the  
17 Agreement, which this Court found the Church held a reasonable probability of  
18 enforcing after trial.

19 Less than a month after the May 28 Order was issued, Armstrong asserted  
20 under oath in deposition that he would not honor either its terms or those of the  
21 Agreement:

22 I have absolutely no intention of honoring that settlement  
23 agreement. I cannot. I cannot logically. I cannot ethically. I cannot  
24 morally. I cannot psychically. I cannot philosophically. I cannot  
spiritually. I cannot in any way. And it is firmly my intention to not

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25 <sup>11</sup> At the time of the hearing on the preliminary injunction, the Church was not  
26 aware of many of Armstrong's breaches, which have since been revealed.  
27 Armstrong's interviews with the media and creation of the videotape, for example,  
28 were not presented to the Court in the Church's request for preliminary injunction.  
In seeking permanent injunction, the Church requests an expansion of the preliminary  
injunction that would prohibit all of the violations of the Agreement proven herein.



1 honor it.

2 Q. No matter what a court says?

3 A. No court could order it. They're going to have to kill me.

4 [Sep.St.No. 20]

5 Armstrong's intention to ignore both the Agreement and the May 28 Order  
6 was reiterated in a letter sent by Armstrong to plaintiff's counsel, dated December  
7 22, 1992. In that letter, which is copied to his own attorneys but not sent by  
8 them,<sup>12</sup> Armstrong threatens that if he is not paid \$500,000 and this lawsuit  
9 dismissed, he intends to travel to South Africa to testify against a Church of  
10 Scientology, give interviews to the media, and assist anyone and everyone  
11 opposing Churches that he can locate. [Sep.St.No. 28] Expressing the viewpoint  
12 that the May 28 Order places no restrictions whatsoever on his conduct,  
13 Armstrong states:

14 I consider myself free to do anything anyone can, except testify  
15 absent a subpoena. Much of what I am permitted to do I am going to  
do. . . .

16 I will continue to associate with and befriend all those people I  
17 consider you attack unjustly and senselessly. I will make my  
18 knowledge and support available to the Cult Awareness Network, a  
19 group of people of good will you vilify, in all the litigation you have  
20 fomented against them<sup>13</sup>. . . . I will even make my knowledge and  
21 support available to entities like Time and people like Rich Behar in

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22 <sup>12</sup> In what can only be described as deliberate harassment, Armstrong also sent  
23 copies of the letter to 35 individuals and groups, including anti-Church litigants, such  
24 as Vicki and Richard Aznaran, Larry Wollersheim and Joseph Yanny, and lawyers who  
represent clients in actions brought against one of more churches, including Toby  
Plevin, John Elstead and Daniel Leipold.

25 <sup>13</sup> The Cult Awareness Network is an anti-religious group that advocates the  
26 kidnapping and forcible "deprogramming" of individuals belonging to religions which  
27 they have identified as "cults." While the Church is not presently suing the Cult  
28 Awareness Network in any litigation, the president of the Cult Awareness Network,  
Cynthia Kisser, has initiated an action against the Church and its president, Heber  
Jentzsch. [Sep.St.No. 21]



1 their defenses from your attacks.<sup>14</sup>

2 [Sep.St.No. 26] In that same letter, Armstrong makes plain the personal contempt  
3 which he has for a court which would rule against him:

4 There is also, as mentioned above, the fact that in order to  
5 defend myself from your attacks and to fund the defense of the  
6 litigation you have fomented I must speak and must publish. I'm sure  
7 you understand that I remain completely confident that no court, other  
8 than the odd one your mercenaries are able to compromise with  
9 bucks, babes or bull, will order me not to defend myself.

10 [Sep.St.No. 27]

11 Moreover, while making the videotape in November, 1992, Armstrong was  
12 fully aware that his actions were in violation of the Agreement, but persisted  
13 nonetheless, saying:

14 I cannot, except pursuant to a subpoena, assist someone intending to  
15 file a claim or pressing a claim against the organization. Now then we  
16 are appealing even that narrow ruling, because that's unenforceable  
17 because if you construe that my ... that this video could possibly  
18 indirectly help someone in the future, I can't do this. And not only  
19 that but if you consider that my existence indirectly or directly helps  
20 someone, then I'll oblige to take my own life. In other words I must  
21 stop breathing.

22 [Sep.St.No. 24]

### 23 III. ARGUMENT

#### 24 A. The Necessity Of A Permanent Injunction May Be 25 Determined By Summary Adjudication

26 A motion for summary adjudication "shall be granted if all the papers  
27 submitted show that there is no triable issue as to any material fact and that the  
28 moving party is entitled to a judgment as a matter of law." Code Civ. Proc. §  
437c(c). Moreover, under a provision recently added to the Code of Civil  
Procedure:

(n) For purposes of motions for summary judgment and  
summary adjudication:

14 Behar is the author of a Time cover story concerning the Church which ran in  
May, 1991. The Church is presently engaged in a lawsuit against Time and Behar for  
defamation. [Sep.St.No. 22]



1 (1) a plaintiff or cross-complainant has met his or her burden of  
2 showing that there is no defense to a cause of action if that party has  
3 proved each element of the cause of action entitling the party to  
4 judgment on that cause of action. Once the plaintiff or cross-  
complainant has met that burden, the burden shifts to the defendant  
or cross-defendant to show that a triable issue of one or more material  
facts exists as to that cause of action.

5 C.C.P. § 437c(n)(1). As demonstrated below, and in the Separate Statement of  
6 Undisputed Facts, the Church has met its burden by proving, from Armstrong's  
7 own admissions, each element of the cause for injunctive relief.

8 Once the moving party has shown the nonexistence of a factual dispute as  
9 to a material fact, the party opposing the motion can avoid summary adjudication  
10 only by presenting evidence tending to demonstrate that there exists a triable issue  
11 of material fact. See, e.g., University of Southern California v. Superior Court  
12 (1990) 222 Cal.App.3d 1028, 1036, 272 Cal.Rptr. 264.

13 Indeed, courts have found summary adjudication to be particularly  
14 appropriate for resolving a cause of action for breach of a written contract.  
15 "Where there is no conflict as to the terms of a contract, and where its provisions  
16 are not uncertain or ambiguous, its 'meaning and effect \* \* \* and the relation of  
17 the parties to it thereby created \* \* \* become a question of law to be decided by  
18 the court.'" Nizuk v. Georges (1960) 180 Cal.App.2d 699, 705, 4 Cal.Rptr. 565,  
19 570 (citations omitted) (liability under written employment contract properly  
20 decided on motion for summary judgment). Permanent injunctive relief may be had  
21 without trial where, as here, the facts which support issuance of the permanent  
22 injunction are undisputed. Camp v. Mendocino County Board of Supervisors  
23 (1981) 123 Cal.App.3d 334, 357-358, 176 Cal.Rptr. 620, 635.

24 **B. An Injunction May Be Granted To Prevent The Breach Of A Contract The**  
25 **Performance Of Which Would Be Specifically Enforced**

26 C.C.P. § 526 empowers the court to grant an injunction to prevent a breach  
27 of a contract if the contract is one which may be specifically enforced. C.C.P. §  
28 526; see also, Steinmeyer v. Warner Consolidated Corp. (1974) 42 Cal.App.3d



1 515, 518, 116 Cal.Rptr. 57, 60 ("An injunction cannot be granted to prevent  
2 breach of a contract which is not specifically enforceable."); Southern Christian  
3 Leadership Conference of Greater Los Angeles v. Al Malaikah Auditorium Co.  
4 (1991) 230 Cal.App.3d 207, 281 Cal.Rptr. 216. The Agreement at issue is one  
5 which may be specifically enforced by this Court as the contract is sufficiently  
6 definite and certain in its terms, it is just and reasonable, the plaintiff has  
7 performed its side of the bargain, Armstrong has breached the contract, the  
8 Agreement was supported by adequate consideration, and the Church's remedy at  
9 law is inadequate. Taramind Lithography Workshop, Inc. v. Sanders (1983) 143  
10 Cal.App.3d. 571, 575, 193 Cal.Rptr. 409, 410.

11 A permanent injunction may be granted to prevent breach of contract  
12 "[w]here pecuniary compensation would not afford adequate relief" or "[w]here the  
13 restraint is necessary to prevent a multiplicity of judicial proceedings." Civil Code  
14 § 3422(1), (3). As demonstrated below, both of these circumstances are present  
15 in this case.

16 Civil Code § 3389 expressly provides that a liquidated damages provision  
17 does not preclude a contract from being specifically enforceable. Accordingly, the  
18 Court is empowered to grant a permanent injunction to enjoin Armstrong from  
19 further breach, notwithstanding that some, but not all, of the clauses in the  
20 settlement agreement provide for liquidated damages.

21 **C. Prevention Of Irreparable Injury And Avoidance Of Multiplicity Of Actions**  
22 **Requires The Court To Issue A Permanent Injunction**

23 This Court has already issued a preliminary injunction enforcing the  
24 settlement agreement. Moreover, Scientology's former Mother Church, the Church  
25 of Scientology of California ("CSC"), has already obtained injunctions and specific  
26 performance of similar settlement agreements. Thus, while C.C.P. § 526(5) deters  
27 the granting of injunctions to prevent the breach of a contract "the performance of  
28 which would not be specifically enforced," this Agreement is patently specifically



1 enforceable. In Wakefield v. Church of Scientology of California (11th Cir. 1991)  
2 938 F.2d 1226 (Ex. R), CSC obtained specific performance of an agreement  
3 substantially similar to this Agreement. CSC moved to enforce the provisions of  
4 the settlement agreement, and the district court ordered hearings before the  
5 magistrate judge, who concluded that Wakefield had violated the agreement. The  
6 district court adopted the magistrate judge's findings and issued a preliminary and  
7 permanent injunction prohibiting Wakefield from violating the agreement. Id.  
8 When Wakefield violated the injunction, again making media appearances, CSC  
9 sought an order to show cause why Wakefield should not be held in contempt. At  
10 an in camera proceeding, the magistrate judge found that Wakefield had willfully  
11 violated the injunction, and recommended that the case be referred to the United  
12 States Attorney's office for criminal contempt proceedings. Id. at 4628.

13 Although the district court's issuance of the injunction in Wakefield was not  
14 at issue in the Eleventh Circuit proceedings, the Eleventh Circuit described in its  
15 opinion, "Wakefield's constant disregard and misuse of the judicial process,"  
16 suggesting approval of the district court's actions. Id. at 4630.

17 Similarly, in McLean v. Church of Scientology of California (11th Cir. 1991)  
18 (Slip Op., Ex. S) plaintiff McLean also entered into a settlement agreement  
19 containing confidentiality provisions preventing her from discussing the litigation  
20 with anyone outside her immediate family. Id. at 2. By her own testimony,  
21 McLean admitted to reacquiring certain documents and using them to "counsel"  
22 Church members. She further admitted to discussing certain aspects of the suit  
23 with people outside her immediate family. Id. at 5. As a result, the appellate court  
24 affirmed the district court order permanently enjoining McLean from disclosing any  
25 information about her lawsuit and the resulting settlement agreement. Id. at 6.

26 Just as the district courts in Wakefield and McLean found it necessary to  
27 issue permanent injunctions to enforce the agreement of the parties, so should this  
28 Court issue a permanent injunction to enjoin Armstrong from further breaches



1 which he candidly promises.

2 1. The Church Will Be Irreparably Harmed  
3 Absent The Issuance Of An Injunction

4 This Court has already found in this case that the Church's legal remedies  
5 against Armstrong are inadequate. Order of May 28, 1992, ¶ 1. Not only is  
6 Armstrong assisting adversaries of the Church, he is doing so to foster and  
7 perpetuate relentless litigation against the Church to serve his own ends.  
8 Armstrong's conduct is continuous, oppressive and malicious and has been  
9 undertaken for the express purpose of injuring the Church. Even the Court's  
10 preliminary injunction order has been viewed so myopically by Armstrong as  
11 permitting him to violate the provisions of the Agreement not specifically  
12 enumerated in the injunction, instead of prohibiting him from future breaches. Only  
13 a detailed permanent injunction fully enforcing the contractual provisions has any  
14 hope of stopping Armstrong from waging his malicious, relentless war.

15 Although some of Armstrong's breaches are subject to a liquidated damages  
16 clause, others, including the continual violations which he is engaging in through  
17 his employment by Ford Greene, are not. It is these continual violations, which no  
18 monetary award can remedy, which must be permanently enjoined.

19 2. Armstrong Must Be Permanently Enjoined To Prevent A Multiplicity Of  
20 Actions

21 Armstrong has dramatically demonstrated, during the pendency of this  
22 action, just why a permanent injunction must issue if the Church is to have  
23 meaningful relief. Most of the breaches of the Agreement described in the  
24 Statement of Facts occurred after the initial complaint in this action was filed.  
25 While some of them were added to the Amended Complaint, the most recent  
26 events are not the subject of this action (except as to the Church's contempt  
27 proceedings against Armstrong), yet they are among the most egregious.  
28 Armstrong's videotape, made on November 6, 1992, is a 1 1/2-hour rendition by



1 Armstrong of his purported experiences with the Church, his interpretation of the  
2 Agreement, and a hate-filled diatribe against his former religion. It was provided to  
3 deprogrammer Jerry Whitfield for use in the forcible "persuasion" of Scientologists  
4 to abandon their faith; as such a tool, it easily could help to spawn additional  
5 litigation and strife. Armstrong's letter of December 22, 1992, threatens still more  
6 actions in violation of the Agreement, including the provision of aid to still more  
7 anti-Church litigants. If a permanent injunction does not issue and these threats  
8 are carried out by Armstrong, additional, repetitive litigation will be necessary for  
9 the Church to secure its rights pursuant to the Agreement.

10 **3. A Balancing Of The Equities Requires The Court**  
11 **To Issue A Permanent Injunction**

12 In determining whether to grant injunctive relief, the Court must balance the  
13 equities before it and exercise its discretion in favor of the party most likely to be  
14 injured. Robbins v. Superior Court (1985) 38 Cal.3d 199, 205, 211 Cal.Rptr. 398,  
15 402. In balancing the equities, the Court considers two interrelated factors: (1)  
16 the likelihood that plaintiff will prevail on the merits; and (2) the harm that plaintiff  
17 is likely to suffer if the injunction is denied as compared to the harm that  
18 defendants are likely to suffer if the injunction is granted. Id. at 206.

19 Armstrong has no equities whatsoever in this action. No one has any right  
20 to continue to violate a settlement agreement. Armstrong already has received  
21 the benefits of the Agreement, in the form of substantial monetary compensation.  
22 Armstrong's only "injury" if he is enjoined is that he will not be able to violate the  
23 Agreement in the future.<sup>15</sup> On the other hand, the harm that will be suffered by

---

24 <sup>15</sup> Armstrong argued unsuccessfully in response to the Church's request for a  
25 preliminary injunction that issuance of the injunction would infringe on his First  
26 Amendment rights. However, it is well-established that individuals may enter into  
27 valid contracts which restrict First Amendment rights or other constitutional rights.  
28 ITT Telecomm Products Corporation v. Dooley (1989) 214 Cal.App.3d 307, 319, 262  
Cal.Rptr. 773, 780 (free speech rights held waived by contractual nondisclosure  
(continued...))



1 the Church absent injunctive relief is the irreparable harm of being victimized by  
2 Armstrong's violations, while others with interests adverse to the Church benefit in  
3 legal proceedings from an unfettered flow of breached obligations, wrongful  
4 disclosures and fiduciary infidelity. Furthermore, California courts have long  
5 recognized the public interest in encouraging settlements (which necessitates that  
6 such settlement agreements be enforceable on the parties concerned). Phelps v.  
7 Kozakar (1983) 146 Cal.App.3d 1078, 1081, 194 Cal.Rptr. 872, 874. Thus, the  
8 balancing of the equities unquestionably favors the Church.

9 IV.

10 CONCLUSION

11 As demonstrated herein, the Church has suffered substantial and irreparable  
12

13 <sup>15</sup>(...continued)

14 agreement); In re Steinberg (1983) 148 Cal.App.3d 14, 20, 195 Cal.Rptr. 613, 617  
15 (movie maker's First Amendment right to disseminate his movie was limited by  
16 agreement to submit movie for editing prior to release); D.H. Overmyer Co. v. Frick  
Co. (1972) 405 U.S. 174, 185, 187, 92 S.Ct. 775, 782, 783, 31 L.Ed.2d 124  
(debtor may waive rights to prejudgment notice).

17 Negative or restrictive covenants in contracts have also been held valid in a  
18 number of instances such as non-disclosure of trade secrets and enforcement of non-  
19 compete agreements which involve the voluntary relinquishment of First Amendment  
20 rights. In all these instances, the injunctive power of the Court has been used to  
21 enforce the terms of the agreements. Merrill Lynch, Pierce, Fenner & Smith, Inc. v.  
Stidham (5th Cir. 1981) 658 F.2d 1098 (broker permanently enjoined from violating  
22 restrictive covenant in contract requiring that records remain confidential); Zoecon  
Industries v. American Stockman Tag Company (5th Cir. 1983) 713 F.2d 1174  
(permanent injunction issued against use of trade secrets on breach of confidential  
23 relationship with former employer); NCH Corporation v. Share Corp. (5th Cir. 1985)  
757 F.2d 1540 (court had power to enforce contract by granting injunction restraining  
employees from competing with former employer).

24 Indeed, in issuing the preliminary injunction herein, Judge Sohigian correctly  
noted that:

25 The law appropriately favors settlement agreements. Obviously, one  
26 limitation on freedom of contract is "public policy." . . . Litigants have  
27 a substantial range of contractual freedom, even to the extent of  
agreeing not to assert or exercise rights which they might otherwise  
have.

28 Order of May 28, 1992, ¶ 8.



1 harm due to Armstrong's deliberate and systematic violations of the Agreement,  
2 and will continue to do so absent issuance of a permanent injunction. The facts of  
3 the making of the Agreement, performance by the Church, Armstrong's repeated  
4 breaches, and Armstrong's dedication to continuing to breach the Agreement are  
5 undisputed. A preliminary injunction has already issued, which has restrained  
6 Armstrong from violating some of the provisions of the Agreement, but which has  
7 not prevented him from additional breaches. Issuance of a permanent injunction is  
8 necessary for plaintiff to obtain meaningful relief.

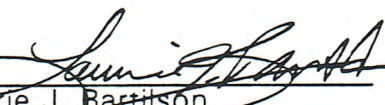
9 For all of the foregoing reasons, plaintiff requests that the Court enter a  
10 permanent injunction enforcing the terms of the Agreement, according to the  
11 Proposed Order filed herewith.

12 Dated: March 2, 1993

Respectfully submitted,

13 Andrew H. Wilson  
14 WILSON, RYAN AND CAMPILONGO

15 BOWLES & MOXON

16 By:   
17 Laurie J. Bartilson

18 Attorneys for Plaintiff  
19 CHURCH OF SCIENTOLOGY  
20 INTERNATIONAL  
21  
22  
23  
24  
25  
26  
27  
28



PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On March 2, 1993 I served the foregoing document described as PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE TWELFTH CAUSE OF ACTION OF PLAINTIFF'S COMPLAINT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF on interested parties in this action as follows:

☐ by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

☒ by placing ☐ the original ☒ a true copy thereof in a sealed envelope addressed as follows:

Ford Greene  
Hub Law Offices  
711 Sir Francis Drake Boulevard  
San Anselmo, CA 94960-1949

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Signature



PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On March 2, 1993 I served the foregoing document described as PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE TWELFTH CAUSE OF ACTION OF PLAINTIFF'S COMPLAINT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz  
P.O. Box 511  
Pacific Palisades, CA 90272

[ ] BY MAIL -- I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

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\_\_\_\_\_  
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Signature



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MAR 03 1993

LOS ANGELES  
SUPERIOR COURT

Andrew H. Wilson  
Linda M. Fong  
WILSON, RYAN & CAMPILONGO  
235 Montgomery Street  
Suite 450  
San Francisco, California 94104  
(415) 391-3900

Laurie J. Bartilson  
BOWLES & MOXON  
6255 Sunset Boulevard  
Suite 2000  
Hollywood, California 90028  
(213) 661-4030

Attorneys for Plaintiff  
and Cross-Defendant  
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY	)	Case No. BC 052395
INTERNATIONAL, a California	)	
not-for-profit religious	)	NOTICE OF MOTION AND
corporation;	)	MOTION BY CROSS-DEFENDANT
	)	CHURCH OF SCIENTOLOGY
Plaintiff,	)	INTERNATIONAL FOR SUMMARY
	)	ADJUDICATION OF THE SECOND
vs.	)	AND THIRD CAUSES OF ACTION
	)	OF THE CROSS-COMPLAINT
GERALD ARMSTRONG; DOES 1	)	
through 25, inclusive,	)	Dept.: 30
	)	Date: March 31, 1993
	)	Time: 8:30 a.m.
Defendants.	)	
	)	Trial Date: May 3, 1993
	)	Disc. Cut-Off: April 2, 1993
AND RELATED CROSS-ACTION.	)	Mtn Cut-Off: April 19, 1993

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on March 31, 1993 at 8:30 a.m. in  
Department 30 of the above entitled Court, Cross-Defendant Church  
of Scientology International (the "Church") will move for an  
order adjudicating that the Second and Third Causes of Action of



1 the Verified Amended Cross-Complaint of defendant and cross-  
2 complainant Gerald Armstrong ("Armstrong") (for Abuse of Process  
3 and Breach of Contract) should be adjudicated in favor of the  
4 Church as a matter of law pursuant to Code of Civil Procedure  
5 §437c(f).

6 This motion is made on the grounds that (1) there is no  
7 provision in the subject Settlement Agreement which prohibits the  
8 Church from doing those acts which allegedly constitute breach of  
9 the Settlement Agreement; (2) most of Armstrong's claims for  
10 abuse of process are barred by the statute of limitations; and  
11 (3) the remaining acts of which Armstrong complains are, as a  
12 matter of law, insufficient to state a claim for abuse of  
13 process.

14 This motion is based on this Notice, the accompanying  
15 Memorandum of Points and Authorities, the Church's Separate  
16 Statement of Undisputed Facts in Support of Motion for Summary  
17 Adjudication of Issues, the Declaration of Andrew H. Wilson, the  
18 records and other documents on file in this action, and on all  
19 other matters that may be adduced at the hearing of this Motion.

20 Dated: March 3, 1993

WILSON, RYAN & CAMPILONGO

21  
22 BY: 15/

ANDREW H. WILSON

23 Laurie J. Bartilson  
24 BOWLES & MOXON

25 Attorneys for Cross-  
26 Defendant  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL



PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  )   ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On March 3, 1993, I served the foregoing document described as NOTICE OF MOTION AND MOTION BY CROSS-DEFENDANT CHURCH OF SCIENTOLOGY INTERNATIONAL FOR SUMMARY ADJUDICATION OF THE SECOND AND THIRD CAUSES OF ACTION OF THE CROSS-COMPLAINT on interested parties in this action by

[ ] placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

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Executed on \_\_\_\_\_, 1993, at Los Angeles, California.

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Type or Print Name

---

Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

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Ford Greene HUB Law Offices 711 Sir Francis Drake Boulevard San Anselmo, CA 94960-1949	<b>By U.S. Mail &amp; Fax</b>
---	-------------------------------

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2 Linda M. Fong  
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8 Attorneys for Plaintiff  
9 and Cross-Defendant  
10 CHURCH OF SCIENTOLOGY INTERNATIONAL

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 FOR THE COUNTY OF LOS ANGELES

13 CHURCH OF SCIENTOLOGY )  
14 INTERNATIONAL, A California not-for-profit )  
15 religious corporation; )

15 Plaintiff,

16 v.

17 GERALD ARMSTRONG; DOES 1 through )  
18 25, inclusive, )

19 Defendant. )

20 )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )  
AND RELATED CROSS-ACTION.

ORIGINAL FILED

MAR 03 1993

LOS ANGELES  
SUPERIOR COURT

Case No. BC 052395

MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF  
MOTION FOR SUMMARY  
ADJUDICATION OF THE SECOND  
AND THIRD CAUSES OF ACTION  
OF THE AMENDED CROSS-  
COMPLAINT

Date: March 31, 1993  
Time: 8:30 a.m.  
Dept.: 30

Trial Date: May 3, 1993  
Disc: April 2, 1993  
Mtn: April 19, 1993

## TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION . . . . .	1
II. STANDARD OF REVIEW . . . . .	2
III. THE CHURCH IS ENTITLED TO SUMMARY ADJUDICATION OF THE BREACH CLAIM BECAUSE ITS ALLEGED CONDUCT DID NOT, AS A MATTER OF LAW, BREACH THE AGREEMENT	
A. There Are No Provisions In The Agreement Which Preclude The Conduct Allegedly Constituting The Breach . . . . .	2
B. Armstrong Has Admitted That The Settlement Agreement Does Not Prohibit The Conduct Allegedly Constituting The Breach . . . . .	4
C. Armstrong May Not Rely On His Belief That The Settlement Agreement Was Reciprocal . . . . .	5
IV. THE SECOND CAUSE OF ACTION FOR ABUSE OF PROCESS MUST BE DISMISSED BECAUSE THE ALLEGED ACTS ARE EITHER OUTSIDE THE ONE- YEAR STATUTE OF LIMITATIONS OR THERE IS NO MISUSE OF PROCESS . . . . .	7
A. The Conduct Alleged To Have Occurred Before July 22, 1992 Is Precluded by the Statute of Limitations . . . . .	8
B. The Conduct Post-July 22, 1991 Cannot Be the Basis For An Abuse of Process Claim Because It is Either Not a Use of Process And/Or Is Privileged. . . . .	9
1. Conduct Not Constituting Use of Process . . . . .	9
2. Privileged Conduct . . . . .	10
V. CONCLUSION . . . . .	15



TABLE OF AUTHORITIES

Page(s)

CASES

Adams v. Superior Court

(1992) 2 Cal.App.4th 521

citing generally, Prosser & Keeton,  
Torts (5th Ed. 1984) Abuse of Process

§ 121, pp. 897-898 . . . . . 9, 10, 12

Czap v. Credit Bureau of Santa Clara Valley

(1970) 7 Cal.App.3d 1, 5 citing Prosser, Torts at p. 877. . . . 9

Drasin v. Jacoby & Meyers

(1984) 150 Cal.App.3d 481 . . . . . 11, 13, 14

FPI Development, Inc. v. Nakashima

(1991) 231 Cal.App. 3d 367 . . . . . 4

Frazier, Dame, Doherty, Parrish & Hanawalt v. Bocardo, Blum,  
Lull, Niland, Terlink & Bell

(1977) 70 Cal.App.3d 331 . . . . . 6

Friedman v. Knecht

(1967) 248 Cal.App.2d 455 . . . . . 14

Haviland v. Southern California Edison Co.

(1916) 172 Cal. 601 . . . . . 5, 6

Parsons v. Bristol Development Co.

(1965) 62 Cal.2d 861 . . . . . 6

Pittelman v. Pearce

(1992) 92 Daily Journal D.A.R. 7371 . . . . . 2

Silberg v. Anderson

(1990) 50 Cal.3d 205 . . . . . 10

Thornton v. Rhoden

(1966) 245 Cal.App.2d 80, 53 Cal.Rptr. 706 . . . . . 8, 12

Thornton v. Rhoden

(1966) 245 Cal.App.2d 80, 53 Cal.Rptr. 706 . . . . . \*

Western Medical Enterprises, Inc. v. Albers

(1985) 166 Cal.App.3d 383 . . . . . 2

Zahn v. Canadian Indem. Co.

(1976) 57 Cal.App.3d 509 . . . . . 2

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STATUTES

Civil Code Section 47(2) . . . . . 7  
Civil Code Section 1542 . . . . . 3  
Civil Code Section 1542 . . . . . 3  
Civil Code § 47(2) . . . . . 1, 10, 15  
Code of Civil Procedure section 340 . . . . . 8  
Code of Civil Procedure Section 437c. . . . . 2  
Evidence Code Section 452 (d) . . . . . 3

OTHER AUTHORITIES

L.A.S.C. Rules 1306.1.2, 1307.1 . . . . . 1



## I. INTRODUCTION

As described in separately filed motions for summary adjudication of numerous causes of action of the Amended Complaint, in December 1986, plaintiff and cross-defendant Church of Scientology International ("the Church") entered into a confidential Mutual Release of All Claims and Settlement Agreement (the "Settlement Agreement" attached as Exhibit "A" to the Declaration of Andrew H. Wilson [the "Wilson Decl."]) with defendant and cross-complainant Gerald Armstrong ("Armstrong"), the terms of which required Armstrong, but not the Church to refrain from aiding others in litigation and to refrain from discussing with third parties his experiences with the Scientology faith. In return, Armstrong received a substantial sum of money and a mutual release from the Church.

In its First Amended Complaint, the Church seeks damages for admitted breaches of the Settlement Agreement by Armstrong and a permanent injunction. In response, Armstrong has filed a Cross-Complaint alleging, inter alia, that the Church breached the Settlement Agreement (Amended Cross-Complaint, Third Cause of Action, hereinafter "Breach Claim") and abused process (id., Second Cause of Action, hereinafter "Abuse of Process Claim"). While Armstrong's allegations of supposed misconduct on the part of the Church are certainly colorful, the undisputed facts nonetheless prohibit any recovery by Armstrong for either of these claims.<sup>1</sup> The conduct allegedly constituting the "breach" is not prohibited by the Settlement Agreement at all. Moreover, the conduct which is alleged to "abuse" process is: (a) completely barred by the statute of limitations; (b) privileged pursuant to Civil Code § 47(2); and/or (c) does not involve the use of

---

<sup>1</sup> Armstrong has named a string of other entities and individuals as cross-defendants, but has made no effort to serve any of them. The cross-complaint was filed on July 22, 1992 and amended on October 7, 1992. The Church accordingly requests that the Court exercise its discretion, and dismiss the cross-complaint as to these unserved cross-defendants. L.A.S.C. Rules 1306.1.2, 1307.1.



1 "process" for an "ulterior purpose."

2 Accordingly, the Court should enter judgment for the Church on the Second  
3 and Third Causes of Action of the Amended Cross-complaint.

4 **II. STANDARD OF REVIEW**

5 Summary judgment is properly granted when the evidence in support of the  
6 moving party establishes there is no issue of material fact to be tried. Code of  
7 Civil Procedure Section 437c. Summary adjudication is the proper procedure for  
8 determining an issue of law. See, Zahn v. Canadian Indem. Co. (1976) 57  
9 Cal.App.3d 509, 512. The trial court must decide if a triable issue of fact exists.  
10 Pittelman v. Pearce (1992) 92 Daily Journal D.A.R. 7371, 7372.

11 If none does, and the sole remaining issue is one of law, it is the duty of the  
12 trial court to determine it. Id.

13 **III. THE CHURCH IS ENTITLED TO SUMMARY ADJUDICATION OF THE**  
14 **BREACH CLAIM BECAUSE ITS ALLEGED CONDUCT DID NOT, AS A**  
15 **MATTER OF LAW, BREACH THE AGREEMENT**

16 **A. There Are No Provisions In The**  
17 **Agreement Which Preclude The Conduct**  
**Allegedly Constituting The Breach**

18 The interpretation of a written instrument is essentially a judicial function to  
19 be exercised according to the generally accepted canons of interpretation.

20 Western Medical Enterprises, Inc. v. Albers (1985) 166 Cal.App.3d 383, 389.

21 With respect to the Breach of Contract Claim, there are no questions of fact to be  
22 resolved. The sole issue is a matter of law. If the Court finds that the Settlement  
23 Agreement does not prohibit the acts alleged to constitute the breach, then the  
24 Third Cause of Action must be dismissed. Armstrong alleges that the Church  
25 breached the Settlement Agreement: "[B]y making reference to Armstrong (a) in  
26 communications to the press, (b) in filing pleadings and declarations in various  
27 litigations." (Paragraph 71 of the Cross-Complaint.) The Settlement Agreement  
28 does not prohibit these acts and contains not one, but two separate clauses whose



1 clear import is to preclude any attempt to go beyond the four corners of the  
2 Agreement. Paragraph 9 is an integration clause and paragraph 18B provides that  
3 the parties have made no representations not contained in the Settlement  
4 Agreement and did not rely on any representation or statement not contained in  
5 the Settlement Agreement.

6 There are no provisions in the Settlement Agreement prohibiting the Church  
7 from referring to Armstrong in its communications with the press or in legal  
8 pleadings or declarations. The only provisions which refer to the conduct of the  
9 Church are contained in Paragraphs 3, 5, 6, and 7.A and I.

10 Paragraph 3 requires the payment of money, which Armstrong admits he  
11 received. [Sep.St.No. 13.]<sup>2</sup>

12 Paragraph 5 requires the filing of a dismissal with prejudice of the case from  
13 which the settlement arose. The Court may take judicial notice of the filing of the  
14 notice of dismissal with prejudice on December 11, 1986 in the action Armstrong  
15 v. Church of Scientology of California, Los Angeles Superior Court Case No. 420  
16 153. Evidence Code Section 452(d). [Sep.St. No. 14.]

17 Paragraph 6 is the standard waiver of all rights under Civil Code Section  
18 1542. The Third Cause of Action does not allege breach of this section.

19 Paragraph 7.A. contains an agreement by all parties that liability is denied  
20 and that the settlement cannot be treated as an admission of liability for any  
21 purpose. The Breach Claim does not allege breach of this section.

22 Paragraph 7.B. contains an agreement that none of the parties bound by the  
23 agreement shall use past activities of any of the parties as a basis for the filing of a  
24 future lawsuit.

25 None of the above-recited paragraphs prohibit the conduct allegedly  
26

---

27 <sup>2</sup> References to Exhibits are to Exhibits to the concurrently filed Separate  
28 Statement of Undisputed Facts as "Sep.St.No. \_\_."



1 constituting the breach. Moreover, there is no language contained in the contract  
2 which would be even colorably susceptible to a meaning which would prohibit  
3 such conduct. Accordingly, the Church is entitled to judgment on the Third Cause  
4 of Action.

5 **B. Armstrong Has Admitted That The Settlement Agreement Does**  
6 **Not Prohibit The Conduct Allegedly Constituting The Breach**

7 The admissions of a party receive an unusual deference in summary  
8 judgement proceedings. FPI Development, Inc. v. Nakashima (1991) 231  
9 Cal.App.3d 367, 398. An admission is binding unless there is a credible  
10 explanation for the inconsistent positions taken by a party. Id.

11 In his deposition, Armstrong admitted that he knew the provisions of the  
12 Settlement Agreement prevented him from disclosing confidential information but  
13 that the Church was not subject to those provisions. Indeed, during his deposition,  
14 Armstrong expressed the extreme displeasure which he claimed to have felt with  
15 his own attorney when that attorney showed him the Agreement, which, as  
16 Armstrong read it, "says on its face they can continue to attack you with impunity,  
17 Mr. Armstrong." [Sep.St.No. 15.] Nonetheless, Armstrong signed the Agreement:

18 Q. And at the time you got that agreement you recognized  
19 that problem with it, that it didn't prohibit them from  
20 saying whatever they wanted about you; right?

21 A. Well, I also understood from basic understanding and  
22 from talking to Michael Flynn that as soon as they open  
23 their mouth and say one word, they've waived it, you  
24 have a new unit of time, they've violated it, that's it,  
25 you're free to talk, you can respond because you cannot,  
26 this does not have to do with future acts.

27 It does not say specifically they are free to, they will  
28 interpret it that way.

29 [Id.]

30 In fact, Armstrong has testified that he did not believe when he signed the  
31 Agreement that the Church would be able to enforce the Agreement, and obtain  
32 what they had bargained for, because the provisions of the Agreement "were not



1 reciprocal" and, in Armstrong's mind, did not bind the Church. [Sep.St.No. 15.] In  
2 opposing plaintiff's motion for preliminary injunction, Armstrong argued specifically  
3 that the non-disclosure provisions were not binding on the Church: "Paragraph 7D  
4 prohibited Armstrong from speaking to others about Scientology, but does not  
5 prohibit Scientology from talking to others about Armstrong." [Id.]

6 **C. Armstrong May Not Rely On His Belief That The**  
7 **Settlement Agreement Was Reciprocal**

8 It is anticipated that Armstrong will attempt to create material issues of  
9 facts as to his (mistaken) "belief" that the Settlement Agreement was "reciprocal."  
10 However, that approach must be rejected for two reason. First, Armstrong cannot  
11 claim a mistake of law. In Haviland v. Southern California Edison Co. (1916) 172  
12 Cal. 601, the plaintiff claimed that he was deceived into the belief that the release  
13 he signed was not binding,

14 "... or, in other words, that it did not mean what it said." The Supreme Court  
15 rejected that argument stating that:

16 The plaintiff knew that he was signing a [document]  
17 which, by its plain terms, released defendant from  
18 liability. He was under no misapprehension regarding its  
19 language or its meaning.

20 Id. at 609.

21 It is well settled that misrepresentations of the legal interpretation of a  
22 contract, at least where there is no relation of trust or confidence between the  
23 parties, do not amount to fraud, and will not furnish a ground for rescission of a  
24 contract. See, Id. at 608. The Haviland court noted that if the kind of evidence  
25 adduced by plaintiff could be regarded as sufficient to establish a mistake of law,  
26 "... there would be little binding force in written agreements, knowingly and  
27 voluntarily executed by competent parties in full possession of the facts." Id. at  
28 610.

29 In this case, Armstrong has alleged that his attorney told him that he had  
30 expressed to the Church's attorneys that the document was unenforceable and



1 that allegedly they agreed. Yet Paragraph 18(B) of the document states that the  
2 parties "... acknowledge that they have not made any statement, representation or  
3 promise to the other party regarding any fact material to this Agreement except as  
4 expressly set forth herein." Moreover, the Church and Armstrong were negotiating  
5 an arm's length transaction, and as in Haviland, Armstrong cannot now claim  
6 mistake of law since he was under no misapprehension that the contract did not  
7 state the Church was bound by any of the promises Armstrong clearly would be  
8 held to.

9 Second, if Armstrong fails to show a triable issue of fact with respect to the  
10 Church's defense or that the breach of contract element exists, no amount of  
11 factual conflicts upon other aspects of the case will affect the result and the  
12 motion for summary judgment should be granted. (Emphasis Added.) Frazier,  
13 Dame, Doherty, Parrish & Hanawalt v. Bocardo, Blum, Lull, Niland, Terlink & Bell  
14 (1977) 70 Cal.App.3d 331, 338. The Settlement Agreement speaks for itself.  
15 There is no language in the Settlement Agreement barring the Church or the other  
16 cross-defendants from referring to Armstrong in communications with the press or  
17 in pleadings and declarations.

18 Extrinsic evidence is admissible to interpret the instrument, but not to give it  
19 a meaning to which it is not readily susceptible, and it is the instrument itself that  
20 must be given effect. Parsons v. Bristol Development Co. (1965) 62 Cal.2d 861,  
21 865. Armstrong cannot refute the clear language of the contract which he signed  
22 and under which he acknowledged that the Settlement Agreement "contained the  
23 entire agreement between the parties," that he entered into the agreement "freely,  
24 voluntarily, knowingly and willingly, without threats, intimidation or pressure...",  
25 that he carefully read the agreement and understood its contents, that he received  
26 independent legal counsel from his attorneys, and that there were no collateral  
27 agreements except what was expressly stated in the contract. [Sep.St.Nos. 3-9,  
28 16.]



1 It is solely a judicial function to interpret a written instrument unless the  
2 interpretation turns upon the credibility of extrinsic evidence. Id. The only  
3 possible extrinsic evidence would be Armstrong's contention that the Settlement  
4 Agreement actually meant something that it does not say. Armstrong admitted he  
5 knew the Settlement Agreement did not subject cross-defendants to any  
6 confidentiality provisions, and in fact, it does not. Therefore, summary  
7 adjudication of the Breach Claim in favor of the Church is required.

8 **IV. THE SECOND CAUSE OF ACTION FOR ABUSE OF PROCESS MUST**  
9 **BE DISMISSED BECAUSE THE ALLEGED ACTS ARE EITHER OUTSIDE**  
10 **THE ONE-YEAR STATUTE OF LIMITATIONS OR THERE IS NO**  
11 **MISUSE OF PROCESS**

12 The Second Cause of Action for Abuse of Process is inadequate for the  
13 following reasons: (1) the alleged pre-July 22, 1991 conduct is precluded by the  
14 one-year statute of limitations; (2) the alleged post-July 22, 1991 conduct is either  
15 (a) privileged pursuant to Civil Code Section 47(2) and/or (b) does not involve the  
16 use of "process" for an "ulterior purpose."<sup>3</sup>

17 The original Cross-Complaint was filed on July 22, 1992; an amended  
18 version was filed on or about October 7, 1992. As will be discussed, conduct  
19 occurring before July 22, 1991 is precluded by the applicable limitations statute.

20 Armstrong alleges that the Church abused the process of the court in  
21 Armstrong I, in the present lawsuit, and in other litigation, with the ulterior motive  
22 to suppress evidence, obstruct justice, assassinate cross-complainant's reputation,  
23 and to retaliate against cross-complainant in the lawsuits. Cross-complaint at ¶¶

---

24  
25 <sup>3</sup> The Church does not, by the making of this motion, admit that any of the  
26 conduct alleged by Armstrong actually occurred; indeed, the bulk of the pre-1991  
27 acts which Armstrong alleges are demonstrable figments of his fertile imagination.  
28 For the purposes of this motion, however, any factual dispute as to these  
allegations is irrelevant; even as alleged, they do not state a claim for abuse of  
process.



1 65 and 66. There are no allegations even inferring that the Church used the  
2 process of the Court to somehow pressure Armstrong for some collateral purpose.  
3 The only "purpose" alleged is that the Church wanted to "attack" Armstrong and  
4 prevent him "from being able to take any effective action to protect himself." Yet  
5 there are no allegations explaining what advantage the Church supposedly gained.

6 **A. The Conduct Alleged To Have Occurred Before July 22, 1992 Is**  
7 **Precluded by the Statute of Limitations**

8 The one-year statute of limitations pursuant to Code of Civil Procedure  
9 section 340 applies to a cause of action for abuse of process. Thornton v. Rhoden  
10 (1966) 245 Cal.App.2d 80, 95, 53 Cal.Rptr. 706, 717. In Thornton, the plaintiff  
11 alleged that defendant had abused process by taking, transcribing and filing a  
12 deposition in which the defendant made false and defamatory claims. The  
13 deposition was taken and transcribed more than one year before the action for  
14 abuse of process was filed, and filed one year exactly before the filing of the abuse  
15 of process complaint. The Court of Appeal found that the alleged taking and  
16 transcribing of the deposition were beyond the statute, and could not be  
17 considered part of the plaintiff's abuse of process claim. Id.<sup>4</sup>

18 Here, alleged conduct which purportedly occurred prior to July 22, 1991 is  
19 similarly beyond the statute of limitations, and any abuse of process claim which  
20 could possibly attach to those claims (and the Church considers that none could) is  
21 time-barred. On the face of the cross-complaint, the conduct alleged in paragraphs  
22 13, 14, 15 through 24; 26 and 27; 29 and 30; 33 through 38; 40; 43 through 48  
23 and 57, are alleged to have occurred before July 22, 1991.<sup>5</sup> Accordingly, the

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24 <sup>4</sup> The court went on to hold that defendant's actions were privileged, and  
25 "even if we disregard the privilege, it is obvious that just taking the ordinary steps  
26 in connection with the taking, transcribing and filing of the deposition cannot be an  
27 abuse of process." 53 Cal.Rptr. at 720.

28 <sup>5</sup> Moving parties do not waive their right to assert that some or all of the  
conduct alleged in the foregoing paragraphs cannot be a basis for an abuse of



conduct alleged in those paragraphs is barred by the statute of limitations.

**B. The Conduct Post-July 22, 1991 Cannot Be the Basis For An Abuse of Process Claim Because It is Either Not a Use of Process And/Or Is Privileged.**

**1. Conduct Not Constituting Use of Process**

The tort of abuse of process has two elements. First, there must be wrongful use of process, not merely a request for an initiation of process; and second, the act complained of must involve the use of process. (Emphasis in original.) Adams v. Superior Court (1992) 2 Cal.App.4th 521, 530 citing generally, Prosser & Keeton, Torts (5th Ed. 1984) Abuse of Process § 121, pp. 897-898. As explained in Adams:

Process is action taken pursuant to judicial authority. It is not action taken without reference to the power of the court. Thus, serving upon plaintiff of false notice that a bench warrant had been issued is not process, because in making the false statement defendant took no action pursuant to court authority. (citations omitted.) [¶] Merely obtaining or seeking process is not enough; there must be subsequent abuse, by a misuse of the judicial process for a purpose other than that which it was intended to serve. (Citations omitted.)

Id. The improper purpose usually takes the form of coercion to obtain a collateral advantage, not properly involved in the proceeding itself, such as a surrender of property, or the payment of the money by the use of the process as a threat or a club. Czap v. Credit Bureau of Santa Clara Valley (1970) 7 Cal.App.3d 1, 5 citing Prosser, Torts at p. 877. There is, in other words, a form of extortion, and it is what is done in the course of negotiation, rather than the issuance or in the formal use of the process itself, which constitutes the tort. Id.

In other words, as explained in Adams:

The gist of the tort is the improper use of the process after it is issued. (Citations omitted.) Here all that is described is a motion to prevent reduction of felonies to misdemeanors. That motion did not result in the issuance of any process of the court which was then abused. It produced no active judicial authority, no writ or order which was then misused. Privileged or not, such activity falls short of

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process cause of action on other grounds.



1 the tort of abuse of process, which most generally consists of acts  
2 exterior to the lawsuit, such as attempted extortion or pressure on a  
debtor by misuse of court orders. (Emphasis in original.)

3 Adams v. Superior Court, supra, 2 Cal.App.4th at 531.

4 The conduct alleged in paragraphs 49, 51 and 55, although occurring after  
5 July 22, 1991, falls far short of the requirements of a claim for abuse of process.

6 Paragraph 49: This paragraph merely alleges an exchange of documents  
7 between a client and its counsel. There is no use of process claimed and none can  
8 be inferred from the allegation.

9 Paragraph 51: Armstrong alleges here that the Church placed Armstrong  
10 under surveillance by private investigators after Armstrong began to breach the  
11 Settlement Agreement. Again, there is no process involved.

12 Paragraph 52: Finally, Armstrong pleads that the Church filed declarations  
13 about him in still another case in which he is not a party, Aznaran v. Church of  
14 Scientology of California, et al., U.S.D.C. No. CV 88-1786 JMI(Ex) ("the Aznaran  
15 case"). This is not a use of process.

16 Paragraph 55: The thrust of the allegations of this paragraph are that cross-  
17 defendants' counsel refused to release persons other than Armstrong from non-  
18 disclosure provisions contained in settlement agreements which those persons had  
19 entered into. Once again, there is no process involved.

## 20 2. Privileged Conduct

21 Civil Code § 47(2) has been held to immunize defendants from tort liability  
22 based on theories of abuse of process. Silberg v. Anderson (1990) 50 Cal.3d 205,  
23 215. The judicial privilege applies if there is some reasonable connection between  
24 the act claimed to be privileged and the legitimate objects of the lawsuit in which  
25 that act took place. Adams v. Superior Court, supra, 2 Cal.App.4th at 529. The  
26 privilege is broadly applied to protect most publications within lawsuits provided  
27 there is some connection between the lawsuit and the publication. Id. Any doubt  
28 as to whether the privilege applies is resolved in favor of applying it. Id.



1 Moreover, the mere filing of a complaint cannot constitute an abuse of process.  
2 Drasin v. Jacoby & Meyers (1984) 150 Cal.App.3d 481, 485.

3 Paragraphs 53 and 54: In these paragraphs, Armstrong asserts that the  
4 Church abused process by attempting to enforce the Settlement Agreement which  
5 Armstrong signed in 1986, first by seeking to have the Agreement enforced by the  
6 Court which, pursuant to the terms of the Agreement, continued to maintain  
7 jurisdiction over the performance of the agreement, and then by filing a complaint  
8 in this action. Finally, Armstrong asserts that the Church abused process by  
9 seeking to have him held in contempt for wilful violations of a temporary  
10 restraining order issued in March, 1992, by Judge Dufficy of the Marin County  
11 Superior Court. As a matter of law, none of these actions could constitute an  
12 abuse of process.

13 The motion to enforce the Settlement Agreement was filed by the Church  
14 because, after spending the \$800,000 which he accepted to settle his claims,  
15 Armstrong began, in July, 1991, to openly and admittedly breach the provisions of  
16 the Settlement Agreement in which Armstrong had promised not to aid other  
17 litigants against the Church, and not to discuss his experiences concerning the  
18 Church, absent lawful subpoena.<sup>6</sup> [Sep.St.No. 19, 21.] That motion was brought  
19 in the settled action because the Settlement Agreement provided that the Los  
20 Angeles Superior Court would have continuing jurisdiction to enforce the  
21 Settlement Agreement in the event of a breach. [Sep.St.No. 22, 24.] The Court  
22 denied the Church's motion on the narrow ground that the Settlement Agreement  
23 itself was insufficient to confer upon it continuing jurisdiction. The merits of the  
24 motion were never reached. [Sep.St.No. 25.] Thereafter, the Church sought to

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25  
26 <sup>6</sup> For a complete description of Armstrong's breaches which compelled the  
27 Church to take legal action, see the Church's separately-filed Motion for Summary  
28 Adjudication of the Twelfth Cause of Action, the Memorandum of Points and  
Authorities, Separate Statement of Undisputed Facts filed in support thereof,  
incorporated herein by reference.



1 enforce the Agreement by filing the Complaint in the instant case. [Sep.St.No. 26.]  
2 On May 28, 1992, the Honorable Ronald Sohigian issued a preliminary injunction  
3 enforcing the Settlement Agreement, finding, inter alia, that the Church had  
4 demonstrated a substantial probability of success on the merits, had been  
5 irreparably harmed by Armstrong's breaches, and that the earlier denial of the  
6 motion to enforce the settlement agreement on jurisdictional grounds did not  
7 preclude the bringing of the action. [Sep.St.No. 31.] In taking these actions, the  
8 Church had no motive other than to enforce the Agreement and recover damages  
9 for its breach.

10 Under these circumstances, neither the motion to enforce nor the bringing of  
11 this action could possibly be considered an abuse of process, no matter what ill  
12 motive Armstrong attempts to graft onto the Church's actions. In order for an  
13 action to constitute an abuse of process,

14 Some definite act or threat not authorized by the process, or  
15 aimed at an objective not legitimate in the use of the process is  
16 required; and there is no liability where the defendant has done  
nothing more than carry out the process to its authorized conclusion,  
even though with bad intentions.

17 Thornton v. Rhoden, supra, 53 Cal.Rptr. at 720.

18 Here, Armstrong has alleged nothing more than that the Church used legal  
19 process to enforce the Settlement Agreement which he signed, and which the  
20 Church has fully performed. Armstrong does not claim that the Church is, by its  
21 actions, attempting to obtain anything other than that which the Church bargained  
22 for in 1986. He makes no claim that the Church has used this action, or the  
23 previous action, to seek to obtain any goal other than those plainly stated in the  
24 moving papers and the Complaint: Armstrong's performance of the terms of the  
25 contract whose benefits he has received. This falls precisely within the rule of the  
26 Adams case. There, the court upheld the sustaining of a demurrer to a claim for  
27 abuse of process because it found that the motion brought by the defendant was  
28 not an act exterior to the lawsuit, or brought to exert undue pressure by misuse of



1 a court's orders.

2 So, here, Armstrong's post-settlement dislike of the terms of the Settlement  
3 Agreement, his mischaracterization of them, and his arguments that they are  
4 somehow "unfair" or "improper" are immaterial. The Church is not seeking any  
5 collateral objective by moving to enforce the Settlement Agreement, or by bringing  
6 an action to enforce it. It seeks only to enforce the Settlement Agreement. Abuse  
7 of process does not lie for the filing of an action for breach of contract. See,  
8 Drasin v. Jacoby & Meyers, supra.

9 Armstrong's assertion that the Church's filing of a request for an Order to  
10 Show Cause Re: Contempt for Armstrong's violation of the temporary restraining  
11 order issued by Judge Dufficy violated process is equally unavailing. Judge Dufficy  
12 ordered the action moved from Marin County to Los Angeles County, but only after  
13 issuing a temporary restraining order prohibiting Armstrong from further breaching  
14 the Settlement Agreement. [Sep.St.No. 27.] Before the file was moved to Los  
15 Angeles, but after the TRO was issued, Armstrong discussed his experiences with  
16 the Church for hours with attorneys for litigants against protected entities, and  
17 gave interviews to the press in which he also disclosed his experiences with the  
18 Church. [Sep.St.No. 28.] The Church argued in its moving papers that each of  
19 these activities violated the TRO. [Sep.St.No. 29.] The Marin Court did not rule  
20 on the merits of the Church's motion, but simply instructed the Church to re-file it  
21 in Los Angeles. [Sep.St.No. 30.]<sup>7</sup> Again, the Church was plainly and obviously  
22 seeking only the object of its lawful litigation, and not acting with any collateral  
23

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24 <sup>7</sup> Once in Los Angeles, the Church concentrated its attention on obtaining a  
25 preliminary injunction, rather than on obtaining a conviction of Armstrong for  
26 contempt of the TRO. [Sep.St.No. 31.] However, Armstrong's contemptuous  
27 disregard for court orders has not gone unnoticed; on December 31, 1992, the  
28 Church sought and obtained an Order to Show Cause Re: Contempt against  
Armstrong for deliberate violations of the Preliminary Injunction, which is set for  
hearing on March 5, 1993.



1 purpose. Indeed, the Church has openly and obviously sought, throughout this  
2 entire litigation, merely to obtain the benefits of its bargain with Armstrong. His  
3 present dislike for his negotiated terms does not render a lawful action in pursuit of  
4 them "abuse of process."

5 Applying the privilege broadly, as this Court must, most certainly the Church  
6 was privileged to make the motion to enforce the Settlement Agreement, to file  
7 this lawsuit and to seek an order of contempt.

8 Paragraph 50: The "conduct" is an allegedly false allegation in a complaint  
9 by cross-defendants against the IRS that Armstrong was involved in plans to take  
10 over cross-defendants' organization. As set forth above, the mere filing of a  
11 complaint cannot constitute abuse of process. Drasin, supra.

12 Even assuming, arguendo, that the quoted statements concerning Armstrong  
13 were false (and they were not), the statements are absolutely privileged. "[A]n  
14 attorney at law is absolutely privileged to publish false and defamatory matters ...  
15 during the course and as a part of a judicial proceeding in which he participates as  
16 counsel, if it has some relation thereto." Friedman v. Knecht (1967) 248  
17 Cal.App.2d 455, 460. The defamatory matter must have "some reference to the  
18 subject matter of the pending litigation, although it need not be strictly pertinent or  
19 relevant to any issue involved therein..." Id. The complaint to which Armstrong  
20 refers is a complaint concerning an illegal criminal investigation launched by the LA  
21 CID against the Church in 1984. The allegation of which Armstrong complains is  
22 one of eighty which set forth in detail the constitutional violations occasioned by  
23 the CID investigation. The use of Armstrong as an informant and conspirator is  
24 obviously relevant to the causes of action set forth in the complaint. [Sep.St.No.  
25 32-33.]

26 Paragraph 52: Finally, Armstrong pleads that the Church filed declarations  
27 about him in still another case in which he is not a party, Aznaran v. Church of  
28 Scientology of California, et al., U.S.D.C. No. CV 88-1786-JMI(Ex) ("the Aznaran



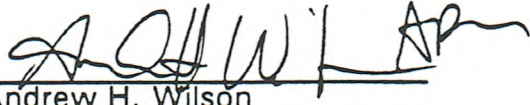
1 case"). The declarations to which Armstrong refers were only filed after  
2 Armstrong began working for the Aznarans' lawyers on the Aznaran case, and  
3 describe telephone conversations between Armstrong and the Church's counsel  
4 concerning the Aznaran case. Armstrong also filed his own declarations in the  
5 Aznaran case. [Sep.St.No. 20, 21.] Armstrong thus interjected himself into the  
6 Aznaran case as a purported witness and as a paralegal.<sup>8</sup> As described above, the  
7 declarations are privileged under Civil Code § 47(2). Moreover, there are no  
8 allegations in the cross-complaint which indicate that the declarations were then  
9 used for any improper purpose as to Armstrong. At most, and stretching, the  
10 allegations sound in some form of defamation, also protected by the litigation  
11 privilege.

## 12 V. CONCLUSION

13 Armstrong's Amended Cross-Complaint purports to allege claims for Breach  
14 of Contract and Abuse of Process, but those claims cannot survive summary  
15 adjudication. The undisputed facts show that the Church has not breached any  
16 provision of the Settlement Agreement which constitutes the contract between the  
17 parties. The bulk of the actions claimed by Armstrong to be "abuse of process"  
18 are long barred by the statute of limitations; the remainder do not involve the use  
19 or process at all, or are absolutely privileged, even if they occurred as they are  
20 alleged. The Church is accordingly entitled to summary adjudication of the Second  
21 and Third Causes of Action of the Amended Cross-Complaint.

22 Dated: March 3, 1993

WILSON, RYAN & CAMPILONGO

23  
24 By:   
Andrew H. Wilson

25 Laurie J. Bartilson  
26

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27 <sup>8</sup> Armstrong is presently prohibited by the Preliminary Injunction from acting  
28 as a paralegal on the Aznaran case.



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**BOWLES & MOXON**

**Attorneys for Plaintiff  
Counter-Defendant CHURCH OF SCIENTOLOGY  
INTERNATIONAL**



PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  )   ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On March 3, 1993, I served the foregoing document described as MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR SUMMARY ADJUDICATION on interested parties in this action by

[ ] placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] placing [ ] the original [X] a true copy thereof in sealed envelopes addressed as follows:

Paul Morantz  
P.O. Box 511  
Pacific Palisades, CA 90272

[ ] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

Executed on \_\_\_\_\_, 1993, at Los Angeles, California.



[X] \*\*(BY PERSONAL SERVICE) I delivered such envelope by hand to the offices of the addressee.

Executed on March 3, 1993, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Carlo C. Nelson

Type or Print Name

Carlo C. Nelson

Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



PROOF OF SERVICE

STATE OF CALIFORNIA       )  
                                  )   ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On MARCH 3, 1993, I served the foregoing document described as MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR SUMMARY ADJUDICATION on interested parties in this action by

- [ ] placing the true copies thereof in sealed envelopes as stated on the attached mailing list;
- [X] placing [ ] the original [X] a true copy thereof in sealed envelopes addressed as follows:

Ford Greene  
HUB Law Offices  
711 Sir Francis Drake Boulevard  
San Anselmo, CA 94960-1949

**By U.S. Mail & Fax**

- [X] BY MAIL
  - [ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.
  - [X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

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[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Paul Bradford

Type or Print Name

Paul Bradford

Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)





## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: March 23, 1993

Honorable DAVID A. HOROWITZ

, Judge  
, Deputy Sheriff  
, C. S. L.S. ROBLES  
B. CHARLINE HOWELL, Deputy Clerk  
, Reporter  
, E/R Monitor

8 C. AGUIRRE

BC052395

(Parties and Counsel checked if present)

CHURCH OF SCIENTOLOGY, ETC

Counsel For LAURIE BARTILSON (x)  
Plaintiff ANDREW WILSON (x)

VS

GERALD ARMSTRONG

Counsel For FORD GREENE (x)  
Defendant

## NATURE OF PROCEEDINGS:

MOTION OF DEFENDANT, GERALD ARMSTRONG, FOR STAY OR IN THE ALTERNATIVE, FOR AN EXTENSION OF TIME TO OPPOSE MOTIONS FOR SUMMARY ADJUDICATION;

D, Mot for stay of proceedings GRANTED. The action is stayed under CCP 916. Counsel are ordered to report any decision by the Court of Appeal to this Department, in writing, within one day of the issuance of the opinion so that this Court may lift the stay.

"...an appeal stays proceedings in the trial court upon the order appealed from or upon the matters embraced therein or affected thereby..." CCP 916. As the Church has stated in its Summary Adjudication motions, "The facts are undisputed, however, that Armstrong has breached the Agreement repeatedly and deliberately. Because of these breaches, a preliminary injunction was issued by the Court on May 28, 1992." Obviously, the validity of the Agreement is the basis for the preliminary injunction. One of the basis for the appeal is an attack on the legality and validity of the Agreement.

The central issue of this case is the legality and validity of the Agreement. The Court of Appeal could certainly reach that issue in its determination of the validity of the injunction. If it does, that ruling could be determinative of many of the issues of this case. It makes no sense to proceed with this matter until the Court of Appeal makes its ruling.

Any and all matters set in this department, including but not limited to the Motions set for 3/31/93, the Final Status Conference of 4/23/93 and the Trial of 5/3/93, are each advanced and vacated.

Defendant shall give notice.

**EXHIBIT Q**



1 Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
2 235 Montgomery Street  
Suite 450  
3 San Francisco, California 94104  
(415) 391-3900

4 Laurie J. Bartilson  
5 BOWLES & MOXON  
6 6255 Sunset Boulevard  
Suite 2000  
7 Hollywood, California 90028  
(213) 953-3360

8 Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY INTERNATIONAL  
9

ORIGINAL FILED

JUL 8 1993

LOS ANGELES  
SUPERIOR COURT

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES

12 CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
13 not-for-profit religious )  
corporation; )

14 Plaintiff,

15 vs.  
16

17 GERALD ARMSTRONG; THE GERALD )  
ARMSTRONG CORPORATION, a )  
18 California corporation; DOES )  
1-25 INCLUSIVE )  
19

20 Defendants.  
21

Case No. BC

VERIFIED COMPLAINT  
FOR DAMAGES AND FOR  
PRELIMINARY AND PERMANENT  
INJUNCTIVE RELIEF FOR  
BREACH OF CONTRACT

BC084642  
25958008

21 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
22 Bowles & Moxon, for its Complaint, alleges:

23 NATURE OF THE ACTION

24 1. In violation of the express terms and spirit of a  
25 settlement agreement ("the Agreement") entered into in December,  
26 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
27 deliberate campaign designed to aid plaintiff's litigation  
28 adversaries, breach the confidentiality provisions of the



1 Agreement, and foment litigation, hatred and ill-will toward  
2 plaintiff.

3       2. Six years ago, plaintiff Church of Scientology  
4 International ("CSI") entered into the Agreement with Armstrong,  
5 on its own behalf and for the benefit of numerous third-party  
6 beneficiaries. The Agreement provided for a mutual release and  
7 waiver of all claims arising out of a cross-complaint which  
8 defendant Armstrong had filed in the case of Church of  
9 Scientology of California v. Gerald Armstrong, Los Angeles  
10 Superior Court No. C 420153. Armstrong, a former Church member  
11 who sought, by both litigation and covert means, to disrupt the  
12 activities of his former faith, displayed through the years an  
13 intense and abiding hatred for the Church, and an eagerness to  
14 annoy and harass his former co-religionists by spreading enmity  
15 and hatred among members and former members. Plaintiff sought,  
16 with the Agreement, to end all of Armstrong's covert activities  
17 against it, along with the litigation itself. For that reason,  
18 the Agreement contained carefully negotiated and agreed-upon  
19 confidentiality provisions and provisions prohibiting Armstrong  
20 from fomenting litigation against plaintiff by third parties.  
21 These provisions were bargained for by plaintiff to put an end to  
22 the enmity and strife generated by Mr. Armstrong once and for  
23 all.

24       3. This action arises out of deliberate and repeated  
25 breaches by Armstrong of these and other express provisions of  
26 the Agreement. Although plaintiff fully performed all of its  
27 obligations under the Agreement, Armstrong never intended to keep  
28 his part of the bargain and maintains that he considered the



1 referenced provisions to be unenforceable ab initio. Some of  
2 Armstrong's deliberate breaches of the Agreement became the  
3 subject of a case currently pending before this Court, Church of  
4 Scientology International v. Gerald Armstrong et al., Case No. BC  
5 052395 ("the earlier action"). Despite the pendency of that  
6 action, and despite plaintiff's repeated demands that Armstrong  
7 end his constant and repeated breach of the provisions of the  
8 Agreement, Armstrong appears to delight in renewing his annoying  
9 and harassing activities, admitting to them in sworn depositions  
10 and refusing to end his improper associations. This Complaint  
11 addresses Armstrong's breaches since June, 1992, when the Amended  
12 Complaint was filed in the earlier action.

13 4. With this Complaint, plaintiff seeks the Court's aid in  
14 obtaining the peace for which it bargained more than five years  
15 ago. Plaintiff requests liquidated damages pursuant to the terms  
16 of the Agreement from Armstrong and his sham corporate alter ego,  
17 the Gerald Armstrong Corporation ("GAC"), as well as injunctive  
18 relief to prevent additional and future breaches of the Agreement  
19 by Armstrong.

20 THE PARTIES

21 5. Plaintiff Church of Scientology International is a non-  
22 profit religious corporation incorporated under the laws of the  
23 State of California, having its principal offices in Los Angeles,  
24 California. Plaintiff CSI is the Mother Church of the  
25 Scientology religion.

26 6. Defendant Gerald Armstrong is a resident of Marin  
27 County, California.

28 7. Defendant Gerald Armstrong Corporation is a corporation



1 incorporated under the laws of the State of California, having  
2 its principal offices in San Anselmo, California.

3 8. Plaintiff is ignorant of the names and capacities of  
4 the defendants identified as DOES 1 through 25, inclusive, and  
5 thus brings suit against those defendants by their true names  
6 upon the ascertainment of their true names and capacities, and  
7 their responsibility for the conduct alleged herein.

8 9. Defendant Armstrong is the principal shareholder in GAC  
9 and its sole employee, and has been since the incorporation of  
10 GAC in 1987.

11 10. Defendant GAC is, and at all times since its  
12 incorporation was, the alter ego of defendant Armstrong and there  
13 exists, and at all times since GAC's incorporation has existed, a  
14 unity of interest and ownership between these two defendants such  
15 that any separateness between them has ceased to exist, in that  
16 defendant Armstrong caused his own personal assets to be  
17 transferred to GAC without adequate consideration, in order to  
18 evade payment of his lawful obligations, and defendant Armstrong  
19 has completely controlled, dominated, managed and operated GAC  
20 since its incorporation for his own personal benefit.

21 11. Defendant GAC is, and at all times herein mentioned  
22 was, a mere shell, instrumentality and conduit through which  
23 defendant Armstrong carried on his activities in the corporate  
24 name exactly as he conducted it previous to GAC's incorporation,  
25 exercising such complete control and dominance of such activities  
26 to such an extent that any individuality or separateness of  
27 defendant GAC and defendant Armstrong does not, and at all  
28 relevant times mentioned herein did not, exist.



1           12. Adherence to the fiction of the separate existence of  
2 defendant GAC as an entity distinct from defendant Armstrong  
3 would permit an abuse of the corporate privilege and would  
4 sanction fraud, in that Armstrong transferred his material assets  
5 to GAC in 1988, prior to embarking on the campaign of harassment  
6 described herein, and with the intention of preventing plaintiff  
7 from obtaining monetary relief from Armstrong pursuant to the  
8 liquidated damages clause. GAC exists solely so that Armstrong  
9 may be "judgment proof."

10                               THE CONTRACT

11           13. On or about December 6, 1986, CSI and Armstrong entered  
12 into a written confidential settlement Agreement, a true and  
13 correct copy of which is attached hereto as Exhibit A, and  
14 incorporated herein by reference.

15           14. The Agreement was entered into by plaintiff and  
16 defendant Armstrong, with the participation of their respective  
17 counsel after full negotiation. Each provision of the Agreement  
18 was carefully framed by the parties and their counsel to  
19 accurately reflect the agreement of the parties.

20           15. Plaintiff specifically negotiated for and obtained from  
21 Armstrong the provisions in the Agreement delineated in  
22 paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18,  
23 because it was well aware, through investigation, that Armstrong  
24 had undertaken a series of covert activities, apart from the  
25 litigation, which were intended by Armstrong to discredit Church  
26 leaders, spark government raids into the Churches, create phony  
27 "evidence" of wrongdoing against the Churches, and, ultimately,  
28 destroy the Churches and their leadership.



1        16. Contemporaneously with the signing of the Agreement,  
2 Armstrong represented that he understood the Agreement's  
3 provisions and was acting of his own free will and not under  
4 duress.

5        17. The Agreement also provided that plaintiff CSI would  
6 pay to Armstrong's attorney, Michael Flynn, a lump sum amount  
7 intended to settle not just Armstrong's case, but the cases of  
8 other clients of Mr. Flynn as well, and that Mr. Flynn would pay  
9 to Armstrong a portion of that settlement amount. The exact  
10 amount of the portion to be paid to Armstrong by Mr. Flynn was  
11 maintained as confidential between Mr. Flynn and Armstrong.

12        18. CSI paid to Mr. Flynn the lump sum settlement amount.

13        19. Mr. Flynn paid to Armstrong his confidential portion of  
14 the lump sum settlement amount, which was at least \$520,000,  
15 after expenses.

16        20. The consideration paid to Armstrong was fair,  
17 reasonable and adequate. Plaintiff CSI has performed all of its  
18 obligations pursuant to the Agreement.

19                                    FIRST CAUSE OF ACTION

20                    (Against All Defendants for Breach of Contract)

21        21. Plaintiff realleges paragraphs 1 - 20, inclusive, and  
22 incorporates them herein by reference.

23        22. In August, 1991, Armstrong accepted employment as a  
24 paralegal from San Anselmo attorney Ford Greene. Mr. Greene's  
25 practice consists substantially of pressing claims by former  
26 Scientologists against the plaintiff and other individuals and  
27 entities identified in paragraph 7 as beneficiaries of the  
28 Agreement (collectively, "the Beneficiaries").



1        23. Among Mr. Greene's clients who are pressing claims  
2 against one or more of the Beneficiaries are Ed Roberts and  
3 Denise Cantin.

4        24. While working in Mr. Greene's office, Armstrong  
5 provided substantial paralegal assistance to Mr. Greene in the Ed  
6 Roberts and Denise Cantin matters. In the case of Roberts, for  
7 example, Armstrong went to Colorado and interviewed Roberts in  
8 November, 1991, and has interviewed him at least seven times  
9 since then. In December, 1992, Armstrong even made a settlement  
10 demand to plaintiff's counsel on behalf of Roberts, without  
11 bothering to go through Roberts' attorney, Mr. Greene.

12        25. Armstrong's employment by Greene to work on the Roberts  
13 and Cantin matters is a direct violation of Paragraphs 7(G) and  
14 10 of the Agreement.

15        26. As a direct and proximate result of Armstrong's breach  
16 of the agreement by providing paralegal assistance to Greene on  
17 the Roberts and Cantin matters, plaintiff has incurred damages  
18 which are not presently calculable. In no event, however, are  
19 they less than the jurisdictional minimum of this Court.  
20 Consequently, for this breach plaintiff seeks compensatory and  
21 consequential damages according to proof.

22                    SECOND CAUSE OF ACTION

23                    (For Breach of Contract Against All Defendants)

24        27. Plaintiff realleges paragraphs 1-20 and 22-25,  
25 inclusive, and incorporates them herein by reference.

26        28. In or about November, 1992, in Los Angeles, California,  
27 Armstrong attended a convention of the Cult Awareness Network, an  
28 anti-religious group whose members advocate the kidnapping and



1 "deprogramming" of persons belonging to groups which they label  
2 "cults." While at the convention, Armstrong provided a lengthy  
3 videotaped interview to deprogramming specialist Jerry Whitfield.  
4 A true and correct copy of the transcript of the videotape is  
5 attached hereto as Exhibit B. Said videotaped interview violates  
6 the Agreement in that it purportedly contains disclosures by  
7 Armstrong of his claimed experiences with Scientology as  
8 prohibited by Paragraph 2 of the Agreement.

9       29. In addition, the videotaped interview devotes an entire  
10 section to a description of the earlier action resulting from the  
11 Settlement Agreement and to a description of the Settlement  
12 Agreement itself. The making of the videotape violated the  
13 provisions of Paragraphs 7(D) and 18 of the Agreement.

14       30. In addition, plaintiff is informed and therefore  
15 believes that Armstrong has distributed the videotape to persons  
16 other than Whitfield, the number of which plaintiff has still to  
17 ascertain. The provision of the videotape by Armstrong to any  
18 person additionally violates Paragraphs 2, 7(D) and 18 of the  
19 Agreement.

20       31. In addition, while at the CAN convention, Armstrong  
21 spoke with approximately fifty (50) people, and willingly  
22 disclosed to them his claimed experiences with Scientology, in  
23 violation of Paragraphs 2, 7(D) and 18 of the Agreement.

24       32. By reason of the foregoing breaches by Armstrong,  
25 plaintiff is entitled to at least \$150,000 in liquidated damages,  
26 and further liquidated damages subject to proof.

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1 which featured this statement made voluntarily by Armstrong in a  
2 media interview. The provision of this interview by Armstrong  
3 violated the provisions of paragraphs 2, 7(D) and 18 of the  
4 Agreement.

5 42. By reason of the foregoing breach of the Agreement,  
6 plaintiff is entitled to \$50,000 in liquidated damages.

7 SIXTH CAUSE OF ACTION

8 (Against All Defendants for Injunctive Relief)

9 43. Plaintiff realleges paragraphs 1-20, 22-25, 27-30, 32-  
10 35, 37-39 and 41, inclusive, and incorporates them herein by  
11 reference.

12 44. On or about April 28, 1993, plaintiff learned that  
13 Armstrong intended to appear that day on radio station KFAX and  
14 disclose his claimed experiences with Scientology. Plaintiff's  
15 counsel, Laurie Bartilson, faxed a letter to Armstrong and his  
16 attorney, informing him that plaintiff would consider any such  
17 appearance to be a violation of the Agreement, and would subject  
18 Armstrong to the liquidated damages provision contained therein.  
19 In response, Armstrong sent a letter to Ms. Bartilson which  
20 stated, inter alia,

21 Your threat that you will subject me to the liquidated  
22 damages provision of the settlement agreement for  
23 appearing on KFAX is obscene. Even its inclusion in  
the settlement agreement; that is \$50,000.00 per word I  
write or speak about your organization is obscene. . .  
24 .

25 In addition, Armstrong asserted that settlement agreements were  
26 an "antisocial policy" of plaintiff. He stated that he would not  
27 stop making media appearances and speeches, and that he had more  
28 planned for the near future if plaintiff did not immediately



1 accede to his demands:

2 I expect to be doing various media appearances in the  
3 near future and talks to various groups, including one  
4 I have already agreed to with a university psychology  
5 class. I think it would be very beneficial, therefore,  
6 to resolve our differences as soon as possible by your  
7 organization's clear repudiation of its antisocial  
8 policies and practices, so that I can have good things  
9 to report at these talks.

10 45. In or about June, 1993, Armstrong made good his  
11 threats, and gave an interview to a reporter(s) from Newsweek  
12 magazine, as described in paragraph 41, supra.

13 46. On July 2, 1993, again making good his threats,  
14 Armstrong appeared in Los Angeles, California at the Los Angeles  
15 Superior Court. He attended a hearing in the Wollersheim II  
16 case, and afterwards gave an interview to a reporter who claimed  
17 to be "working on a story," but refused to identify himself.

18 47. As a direct and proximate result of Armstrong's breach  
19 of the Agreement by disclosing his experiences, by making media  
20 appearances, and by providing assistance to Greene in the Cantin  
21 and Roberts matters, which breaches are persistent and  
22 continuing, CSI is and will continue to be irreparably harmed,  
23 and unless Armstrong and those acting in concert with him are  
24 preliminarily and permanently enjoined from continuing that  
25 unlawful conduct, further irreparable harm will be caused to CSI.

26 WHEREFORE, plaintiff prays for judgment as follows:

27 ON THE FIRST CAUSE OF ACTION

28 1. For compensatory and consequential damages according to  
proof.

2. For attorneys' fees and costs of suit.

ON THE SECOND CAUSE OF ACTION



1 1. For liquidated damages of \$150,000, and further  
2 liquidated damages according to proof.

3 2. For attorneys' fees and costs of suit.

4 ON THE THIRD CAUSE OF ACTION

5 1. For liquidated damages in the amount of \$950,000.

6 2. For attorneys' fees and costs of suit.

7 ON THE FOURTH CAUSE OF ACTION

8 1. For liquidated damages in the amount of \$50,000.

9 2. For attorneys' fees and costs of suit.

10 ON THE FIFTH CAUSE OF ACTION

11 1. For liquidated damages in the amount of \$50,000.

12 2. For attorneys' fees and costs of suit.

13 ON THE SIXTH CAUSE OF ACTION

14 1. For a preliminary and permanent injunction prohibiting  
15 and restraining all defendants, including Armstrong, from  
16 violating any of the provisions of the Agreement, including the  
17 provisions of Paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

18 ON ALL CAUSES OF ACTION

19 1. For such other and further relief as the Court may deem  
20 just and proper.

21 DATED: July 8, 1993

BOWLES & MOXON

22  
23 By:   
24 Laurie J. Bartilson

25 Andrew H. Wilson  
26 WILSON, RYAN & CAMPILONGO

27 Attorneys for Plaintiff  
28 CHURCH OF SCIENTOLOGY  
INTERNATIONAL

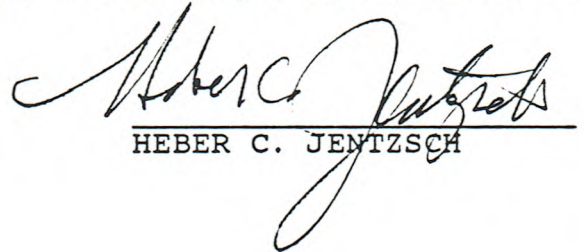
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VERIFICATION

I, HEBER C. JENTZSCH, declare as follows:

I am President of the Plaintiff, Church of Scientology International, in the above-entitled matter. I have read the foregoing Verified Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. Executed on July 8, 1993, at Los Angeles, California.

  
HEBER C. JENTZSCH





MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the



"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.



amount, the receipt of which he hereby acknowledges.

Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

  
\_\_\_\_\_  
Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,



for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means). any further appeals taken by the Church of



Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and



settlement there shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other



similar form, any writing or to broadcast c to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the



settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose



concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



85-0440-HLH(Tx), Presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make



himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.



L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically



incorporated here shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and



all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,



representation or promise to the other part regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

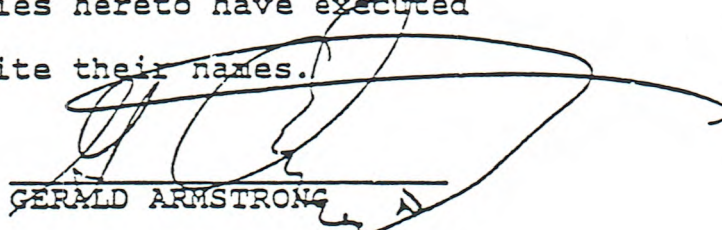


jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1985


  
GERALD ARMSTRONG

  
Witness

  
Witness

Dated: 12/6/86

APPROVED AS TO FORM AND  
CONTENT:

  
MICHAEL J. FLYNN  
Attorney for  
GERALD ARMSTRONG

Dated: December 11, 1986

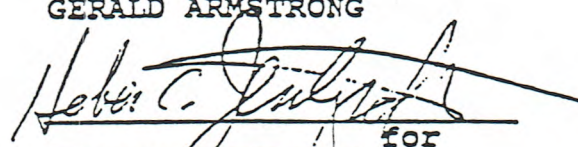
  
for  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

EXHIBIT B



GERRY ARMSTRONG VIDEO INTERVIEW 6 NOVEMBER 1992

S = Spanky Taylor  
G = Gerry Armstrong  
J = Jerry Whitfield

S: We're here with Gerry Armstrong on the 6th of November 1992. Hi, Gerry.

G: Hi, Spanky.

S: Basically, what we're doing here is I want to find out a little bit about your Scientology experience, or, more than a little bit -- as much as we can, starting from when you got involved.

G: Ok.

S: So, tell me about that first.

G: I got involved in 1969 in Vancouver, British Columbia, Canada. And ... I spent a year and a half...

S: How old were you then?

G: Twenty-two. Spent about a year and a half in Vancouver. Worked in the local franchise, Scientology Little Mountain. And then in the beginning of '71 went off to save the world. Joined the Sea Org. Flew to LA. And was ... Signed my Sea Org contract at what was USLO. Then was on board the Bolivar, stationship down -- not exactly sure where it was...

S: San Pedro?

G: San Pedro, right. Then...

S: I loved the Bolivar.

G: And then by mid-February '71 was flown to New York, Madrid. Madrid took a train down to Algeciras. Algeciras across by ferry to Tangiers. There sitting in the Tangier harbor was the Apollo. I stayed on board except for brief missions off the ship or sometimes I'd go ashore for brief periods. But was on board 'til the fall of 1975. And we were, in those years, in Portugal, Morocco, Spain, and the little Atlantic islands -- Madeira, the Canarys, and then we made a circuit to the Caribbean islands -- Bermuda, Bahamas, Jamaica, Trinidad, Barbados, Netherlands Antilles.

S: Sounds like a Beach Boys saga. (Laughter) And you knew LRH?

G: Uh huh.

S: You married, your first marriage was... you married on Flag.

G: Yeah. I married his head messenger. Terry Gillham. Young Terry. She was a pretty good catch.

S: She was. She was.

G: I was organizationally a social climber. I really was. It just worked out that way, you know, I was in the right place at the right time I guess.

S: You had quite the wedding. I remember the photos very well.

G: Yeah? Yeah, I had a big double wedding along with Pat and Trudy Broeker.

S: That's right.

G: And through most of my time on board the ship I was the Legal Officer. We called it the Ship's Representative. I dealt with Immigration, Customs, and the Police and Harbor Master and handled all the needs of the ship while in port. And then I was the Public Relation's Officer Port Captain for a period of time. And then I was the Intelligence Officer through our time in the Caribbean. And when we went ashore, landed in Daytona, I was the Intelligence Officer again at the staging area for the Clearwater base which we had in Daytona at that time.

J: What's an Intelligence Officer?

G: Well...

S: It's a

G: ...they were talking about...

S: ... jumbo shrimp, what are those things called oxymorons?

G: Espionage. It's a Hubbard patterned -- his intelligence system, after Nazi system. Perfected, created, developed by Reinhardt Gehlen. And I was one person within a giant network of intelligence personnel operated by the Guardian's Office who were in turn operated by the Guardian, Mary Sue Hubbard, and L. Ron Hubbard. He merely directed on his long distance communication lines all the intelligence operations internationally.

J: What kind of intelligence operations -- we're talking



about a church who has intelligence operations, a church with intelligence operations? Is that what you're saying? And you were there, you were involved in that? Is that what I'm hearing?

G: Right. Now I have a different perspective of course and I don't consider Scientology by any definition a "church" other than the fact that they have edifices -- buildings -- which could, if the activities therein were to change, could be churches. But the organization itself is not a church. But it's undeniable that it had intelligence organization and has been described as outside of the FBI and the CIA, the most formidable intelligence organization operating on the North American continent.

S: At this time, in the early times when you on the ship, you knew the offspring of L. Ron Hubbard. You knew his kids, as well?

G: Right.

S: Quentin and Diana, Arch and Suzette.

G: Right.

S: Tell me a little about them. I mean, you know, were they happy, were they well educated, were they ... because, of course, they were the offspring of this man with this tremendous wealth, did they receive the best of possible educations, did they lead a privileged life in terms of the...what was accessible to them in terms of in a society type of sense in terms of their education and their upbringing. Did they attend the finest finishing schools? Were they ... was Diana Hubbard a debutante. Do you know what I mean? Tell us about that.

G: I think she could have been a debutante but I don't think she was. I think that all the kids were pretty real in their own way, given the environment in which they found themselves and given the very odd circumstances of growing up in the Sea Organization. I suppose that the one I got closest to was Arthur. Arthur and I sort of ran tandem Sea Watch, or rather, gangway Quarter Master Watch for quite a period of time so I had the task of waking him up. He was pretty young at the time, maybe 13 or 14, I don't quite remember. It was always difficult waking him up and he would pull rank a little bit in that I didn't want to make too much noise waking him up in his cabin and there was always the threat that if you did anything out of line at all, Ron...

S: Son of Ron.

G: Son of Source.



S: Right, son of Source. Aauugh. That word.

G: But all of them, I was on Diana's Sea Watch and she was a good Conning Officer. I think that all of the kids were intelligent and I think that they were all decent, good people.

S: Happy? Unhappy?

G: I think both. You know, happy at times, unhappy at times.

S: Sort of normal then.

G: Pretty normal.

S: And Quentin?

G: Quentin, I think much the same thing. He probably was the oddest of the lot, relative to the Sea Org experience. But we got along fine. I always found him to be perhaps the most understanding, in a way, in almost as if he had ...

S: Sensitive?

G: Yeah, sensitive. compassionate. Didn't pull rank and wasn't threatening in any way.

S: So then you were at Daytona when the base was originally moved there.

G: Uh huh.

S: And from that point.

G: Then we moved to Dunedin. At that point I was busted from the Guardian's Office. I was in the Guardian's Office Intelligence Bureau. And Mary Sue or Nikki who was her communicator deemed me a security risk of some kind and so I was removed from the Guardian's Office and I was assigned to Hubbard's Communication Bureau. So I became what was called the Deputy LRH External Communications Aide when we moved to Dunedin which was in December of 1975 and we had a secret base for Hubbard and his personal staff and Mary Sue and her personal staff at Dunedin in an apartment complex I guess about maybe eight miles from Clearwater. And I stayed there until June of '76 at which time I was sent to Culver City here in Los Angeles to set up a staging area for what became the base that was built in La Quinta.

And I was only there for a brief amount of time. I was there to set up this unit along with three other messengers. And Hubbard arrived, Mary Sue Hubbard arrived, and then I had



a fight with Nikki, and Hubbard then assigned me -- first I was taken out of that unit and I was kept locked up at the Intelligence Bureau in the Fifield Manor in Los Angeles.

J: You were locked up?

G: Right. I was kept under guard for a couple of weeks.

S: Which is where that Guardian's Office had moved to.

G: Right. The Intelligence Bureau of the G.O. was there. I was picked up by the D/Guardian for Intelligence Dick Weigand.

J: Isn't that falsely (sic) imprisonment. Isn't that illegal?

G: Yeah. It was clearly false imprisonment.

S: At this point do you feel much of what you had done had been illegal? On some level or another?

J: For Scientology.

G: Personally?

S: That you had done personally.

G: I clearly had been involved in some illegalities while... especially while I was on the ship. Smuggling things on and off and...

J: What kind of things? Money, drugs? Weapons?

G: We did move a lot of money around. Briefcases...

J: Go on.

G: Briefcases of money that were brought to the ship. Booze, cigarettes, that sort of stuff taken off the ship and run through Customs. And other things that were just done sort of borderline activities. But I was willing to do those sorts of things at that time and I considered that I was doing ...it was the greatest good for the greatest number.

S: When you were working in Intelligence did you ... were you involved with any "dirty tricks" against other Scientologists or other staff members?

G: I was aware of dirty tricks against staff members and I was aware of the way the Guardian's Office Intelligence Bureau worked to some degree because I had a lot of the policies. I had the Guardian's Office Intelligence hat, the Intelligence



Manual which trained people to lie and steal and create false identities and harrass the enemy.

J: Why would a church need to do that?

G: Well, a church doesn't need to do that, but Scientology's not a church.

J: Why would Scientology feel the need to be involved in that kind of activity?

G: Because Hubbard was afraid and his idea on dealing with enemies was to attack them. One of the ways that he attacked them was through covert means.

J: Why would a man as great as Hubbard who had THE technology to save the world, have to fear anyone?

G: Well, he didn't have the technology to save the world and he simply had fear because he had fear and he was never able to triumph over his fear, so he put his trust in attacking people as opposed to doing the rational things in life and he also had reason to fear because he had falsified his credentials, he had lied about his life and he was afraid of being exposed and he had also lied and cheated for many years. He knew that there were people around who knew what he really was.

S: Now how did you come to find this out?

J: Can I ask one question? Answer that but answer this one first because you've got me really interested. If Scientology could do what it says it could do, would you still be in it? If it had the technology to do what it says, would you still be in anything?

G: In answering that question you'd have to...if you assumed that if it could do what it says it could do it would have a different form from what it is, then the answer might be yes. But both things would have to be true. It would have to deliver and it would have to be different from its present form opposed from the form which I came to know and understand.

J: Thanks. That's what I wanted to know. Go ahead with Spanky. How did you find out this?

S: How did you come to know that in fact Hubbard had fabricated his credentials, had in fact developed this tremendous fear that he had of being found out, had this paranoia?

J: What credentials? What would he do when found out?



G: I guess the process of that discovery began when I first got involved with the Sea Organization. Of course I worked with the man for quite a period of time. I shot gnus with him in the desert after we left the ship. He twice assigned me to the RPF. I talked to many people about him. I read hundreds of thousands of his words. I listened to him and listened to his tapes so I had a great understanding before I ever came to the realization that what I'd been led to understand was false, but I needed that great understanding I think in order to know what the falsities were. But I was, I considered, quite fortunate in that in the beginning of 1980 and we then were in Gilman Hot Springs and there was a threat of a raid and we were required to go through...each person had to go through his...all papers in his area, whatever post he was on, and all personal papers, and destroy anything which showed Hubbard's control of the organization, anything which showed his intent to live at the Gilman Hot Springs' property, anything which showed his control of organization finances.

S: So now in January of '80 isn't that when, as far as the rest of the staff at the other organizations knew, L. Ron Hubbard went off the lines, so to speak, January '80 he was like... Did he in fact go off the line or was it just made to look like he went off the line at that point? Cause if what you're saying, if I'm following you correctly, do you know, there was this perception that he was now gone and had cut ties to the actual on-hands running of the organization.

G: Well, it's...part of that is true. There had been a gradual decrease, I would say, of his hands-on involvement, but even though he left from the location that he was at the beginning of 1980, he continued to run the organization. He just continued to run through a different conduit.

S: Now, so you went through the papers within your own specific area. Was this prior to your being assigned to the biography project?

G: No, this is what the biography project came out of. Because in the process of going through my things I was at that time responsible for the Household Unit at the Gilman Hot Springs property. One of my juniors was responsible for all of L. Ron Hubbard's stuff -- his personal effects which were stored at the Gilman property. She came to me with a box of very old materials, very old papers, and asked if they should be shredded. I looked through this stuff and saw that it all predated Dianetics so thought, it should be no risk whatsoever. It has nothing to do with his running the organization. So, I also saw that it had great historical value. And when we then began to look over inventories, began to go through his stuff we uncovered some 20 boxes of similar



material. And I knew that this stuff, could form the basis for a library and was incredibly valuable for its history and just as original documents, and that it would form the basis for a biography. So, it was at that time that I petitioned Hubbard to be able to collect this stuff up to preserve it and to contract with an outside writer to do the biography.

He approved the petition in January '80. And then we communicated another couple of times before I then did not have what was that direct comm line to him, communication line. We could then no longer admit to a communication line to him. It still was there but we could not use it for fear of civil litigants or the government then being able to subpoena him.

S: As he was under a lot of legal threat.

G: Right.

S: Domestically, at that time, right?

G: Right.

J: Why would L. Ron Hubbard be under legal threat?

G: Because he controlled the organization.

J: What's wrong with that?

G: And because the organization was involved in criminal and tortious activities.

S: I think additionally the church had, was also under tremendous legal stress in terms of people who were filing suit against the church now for fraud. There were attempts made to name L. Ron Hubbard in a suit, to actually serve him or subpoena him which is when he sort of "poof."

G: Right.

S: Disappeared.

J: So he disappeared, he ran and hid.

G: Right.

J: So, hiding is pretty down on the tone scale.

S: So I hear, honey.

J: But that's what the great L. Ron Hubbard was doing. You were there and that's what you saw.



G: Yeah. I mean he did hide.

J: I'm not trying -- it's just very difficult, the reason I'm saying this, it's very difficult for somebody who's in Scientology to conceive that the great L. Ron Hubbard whom they've never met, but have only heard these wonderful things about, to even perceive or comprehend that this might have been ... might have occurred with this man. How can this man be human? He's not human. He was L. Ron Hubbard. The reason that we're doing this interview is so that other people can know. It's very easy for a non-Scientologist to understand those things. It's very difficult for a Scientologist because Scientologists don't get the type of information that non-Scientologists get. And yet you were there. You knew him. You worked with him for probably 15 years or so.

G: I was in the Sea Org for 11 years.

S: And Gerry, backing up a bit, you saw him as a fallible human being, am I correct?

G: Yeah.

S: I mean he had had illnesses.

G: Right.

S: A great many illnesses, a few illnesses?

G: Quite a few.

S: I know that he had these horrendous allergies which when we refer to them we would be heavily reprimanded and corrected and told they were not allergies they were sensitivities. (laughs) You know there was a brilliant way of sort of smoothing over things.

G: Right. Right. He continued to wear clothes when he was stark naked. Right.

S: Oh, yes. Yes, of course.

G: And we all did that in our own mind, and we all stopped ourselves from thinking critical thoughts of L. Ron Hubbard. We really didn't do him much of a favor because he really was human in every way.

S: Yes. Do you feel that the mindset of the group of -- all of the adoration that L. Ron Hubbard received, contributed to his delusion? Or do you feel that he imposed the delusion upon the group? Or do you think it's kind of 50/50?



G: There's no doubt that he was in control. And there's ... we did not control L. Ron Hubbard. And although he could have become the effect of his own lust for control, and his own greed and his own avarice, so he created his sycophants. And the effect of... often of what you create may not be that pleasant so he did create his own prison.

S: Ok. So now you contracted with Omar Garrison, am I correct, to do the writing of this book which you were researching?

G: Yeah, beginning in January, I collected up the materials from the Gilman Hot Springs property.

S: Several boxes of materials.

G: Right.

J: This was in '80 or '81?

G: '80, beginning of '80. And then shortly after that I moved them to Los Angeles and I began to add to them. I travelled around, travelled up and down the west coast and I bought collections, other people's collections of Hubbard materials. I interviewed a number of people, his other living relatives.

J: L. Ron Hubbard, Jr.?

G: Yeah.

J: His ex-wife?

S: Sarah Nordstrom. (sic)

G: No. No, I didn't talk to Sara. I talked to Sara after that project was over.

J: His daughter Alexis?

G: I spoke to her as well some time later. I spoke to his living aunt, living uncle.

J: That was his...

G: Yeah. It was good. Good. And they really saw him for what he was, as well. They knew him in a real manner. They knew that he was a big storyteller.

S: Now, at this time you're going around talking to these people and I presume verifying his various degrees and his education credentials, etc. And you're starting to see holes in these stories, right? At this point, it's still 1980, are you going, whoa. This guy's full of shit. Or are you going,



oh, something's wrong here? Or -- I mean I know so many people within the church, despite the fact that these claims and the intros to these books and L. Ron Hubbard's past, you know, and he's been killed three times and come back to life and born of a Virgin Mother or whatever the hell it is, they consider that these things are factual. He was a war hero. He did have these degrees. And that the government with a conspiracy against Scientology has gone in and altered all this information. Do you know what I mean? It's like, to continue their own delusion of what was what.

Now, at this point in 1980 were you still buying the story or would you be concerned, you know, in terms of the validity of any of that?

G: There were a couple of steps in the process. Initially, I just collected the documents. Then I began to see discrepancies. And although I saw discrepancies I continued to believe that what he was writing about himself and what he had been saying was the truth. And that the discrepancies could be explained in some manner. Additionally, if there are only a couple of discrepancies and they're minor discrepancies, who cares. But, through the process of the accumulation of the biographic archive, in my study of them, I began to see that it wasn't just a few isolated instances but, rather, that he had -- that lying had been his pattern and that that's what was true about him. What was true about him was that he was a liar and that he appeared to think that he could lie with impunity.

J: What lies did you see specifically that you could enumerate a few.

G: The ones which were significant to me were the ones I think which had been used to draw me into the organization and which had kept me in the organization for all that time, and they were not just used for that but used to create a mystic about him which you could not penetrate, could not question. It was significant ones. If he had been crippled and blinded during the 2nd World War. That he had cured himself with Dianetics. That it was a matter of medical record that he'd twice been pronounced dead. That he was a nuclear physicist. Those, to me, significant representations, I was able to show in his own documents, not the government's documents, but documents which he maintained in his own archive, that they were false.

J: Gerry, how did you feel when this came to light? I mean, you're a loyal Sea Org member. You have worked for the last ten years as a Sea Org member working night and day very hard, giving your all, complete dedication, sometimes 16, 18, 20 hours a day. How did you feel when you began to find these things out and they began to dawn on you that this man



was a bigger liar than he was a purveyor a truth? This must have been the devastating thing to go through. You were loyal. There was probably no person any more loyal than you. You were one of the loyal Sea Org members.

G: Well, it was initially like I say, I just noted the discrepancies and carried on with my work. There came a time when my mind began to open. I began to see, and I began to question. That period of time was also a period of great confusion. There was also a period of time of some loneliness because there really was no one to talk to because I couldn't go to someone with a critical thought. I could not -- you could not talk and say the things that I had to say inside the organization.

Then there came a period of time in the fall of 1980. I actually had tried a couple of times. I'd gone to Laurel with some discrepancies, cause Laurel had been his public relations officer for many years. She knew the story. And I was saying, "Laurel, this isn't true. We can't say that." Well she got really angry at me and silenced me. So I learned to not say anything.

But there were a couple of points. One of them was contracting with Omar Garrison. And Garrison had a couple of very pro-Scientology books prior to my coming on the scene although he was not a Scientologist..

S: He was a huge ally of the church, in fact ...

G: He was a huge ally so again even with Garrison I couldn't just say, "Hey, Omar, you know, check this out. It's bullshit!"

S: I've connected the dots and it's scary.

G: Right. Now, it was a gradual thing with him, too. I would give him material and then we'd talk about it. Gradually I began to see that Omar understood, and Omar was an ally of mine, so we began to be able to talk freely. And that was another key to my getting out of the organization was... spending a lot of time with him, with his wife, travelling around the country in different situations outside the organization. And then going back into the organization and having that comparison all the time where you do, having the knowledge that I had, going into the organization and seeing the craziness inside and then going out of the organization and seeing that the representations the organization was making about the outside was another aspect of the big lie which was being run on us.

But, toward the end of my existence inside the organization, and also as I learned more I became, I guess, braver and



braver and braver. You know, willing to stand up -- it didn't matter any more. You know, you want to kick me out of this organization? See you later.

But I was still there, still dedicated, so I developed something of a cause during my last few months inside the organization of attempting to get the organization -- and, of course, I knew it would get to Hubbard and it was sort of a challenge to him, but initially to get the organization to change what it was saying.

S: I remember that part very well.

G: And I critiqued a number of the dust jacket material and the "About the Author" sections of the various books, and we'd go through them and line by line say, "This isn't true, this isn't true." Here are the facts." This we don't know. We can't document that. It sounds like bullshit to me. And so, I did that with a number of pieces. And I think it actually had a good effect up to a certain point, because they did actually change them and tone down some of the hyperbole.

S: Now, didn't at that point you also feel -- this is per my recollection cause I was a PR at that time and worked pretty close with Laurel and -- didn't you feel that despite the fabrications and despite the inconsistencies that there was still value to Hubbard? I think I recalled something about, "Gerry said that we could still do a biography and just make it truthful and still..." -- because LRH had contributed so much, just do a truthful thing, and his contributions would stand on their own. You didn't need all this fabrication. And you sort of had platformed this campaign, right, where you went over like a pregnant polevaulter...

G: Right.

S: ...as I recall.

G: It really, I think, ran his accomplishments and the technology will have to stand on its own. If it's going to stand, it has to stand on its own. We can't hold it up with lies. That's the way I still feel about it and I think it has fallen on its own. I don't think that it's workable and I think that it's an enforced technology. But that's sometime later in my development.

S: Now, by this time, you and Terry were no longer married and you had remarried to Joyce Brown.

G: Right.

S: Was your relationship with your wife at this time, where you were very vulnerable and feeling alone, was that any



solace to you?

G: Yeah. See, she came along in...

S: Another catch, dude. I mean she was such a doll-baby. She is such a doll-baby.

G: Yeah, she's a sweetheart. Initially, I'm working away on the biography project and she's up there in SMI, Scientology Missions International. And we connect. And you know what a Sea Org romance is like, you know. "Hey, gotta a weekend free, let's drive down to Tijuana and get married." You know it's that kind of a thing. I think I drove her down one week and got her a divorce and the next week got her -- married her, sort of.

But she was in much the same situation as I was, in, that, if you're free to talk to anyone inside the organization then, for one thing, the organization wouldn't be Scientology -- if people were free to talk it wouldn't be Scientology because that's the essence of Scientology is its lack of freedom. We at one point came to this realization that we could talk. So, just toward the end of our being inside the organization we formed something of a conspiracy of two. And so, knowing what we knew, and once I knew that I could talk to her and what she knew is she could talk to me, and we formed this little conspiracy...

J: It really wasn't a conspiracy though. It was open, honest communication.

S: Between a husband and wife.

G: Right, open and honest between us, but ....

S: But within the organization it would have been a conspiracy.

G: ...but conspiring to not let the organization know because they say you must talk open and freely to this sec checker but you can't talk open and freely to your spouse.

S: What?

G: That's the organizational paradox. So we violated that because when it came to sec checking it was -- I mean she had to go through a sec check toward the end of our Sea Org experience and by that time, I mean, once you know that the whole thing is a scam, anybody can con a sec checker, because you have a certain altitude. Go ahead and ask a question. I don't care.

S: That's right.



G: You know, it doesn't read. There's no more belief in that meter. It's just a pack of garbage.

J: Are you saying that the E-Meter is not 100% effective?

G: The E-meter is at best a worthless, anti-religious artifact.

J: Thank you.

S: Don't sugarcoat it honey, give it to us straight, ok? I mean, you know, enough of this pussyfooting around stuff.

J: You feel pretty strongly about that, don't you Jerry?

S: Yeah.

G: No, it's ... irrelevant. It has no meaning. It has no value whatsoever.

J: I think the value that it has is the value that the person holding the cans has...

S: Infuses into it ...

J: Yeah, places upon it because of what he's been told or shown.

G: That's not the value. There may be some value in answering questions. There may be some value of looking into one's mind. And --

J: I agree with what you're saying. I don't disag.. I'm saying the value that it has to the organization, not to the person.

G: Oh, yes. It has the same kind of value that thumbscrews had in another era.

J: Yeah.

S: Now, Gerry, when you had all those documents and you had these boxes, did you not come across a lot of evidence in terms of not only inconsistencies in the fabrications that L. Ron Hubbard had presented to Scientology as a whole, but also things that made his past actually questionable in terms of maybe alcoholism or drug use or things that you came across that not only show him as someone who's made up these things, but showed a quite -- A man who was the antithesis of what had been presented.

G: Yeah. Yeah.



S: Tell us about that.

G: I began to see that his drug of choice in his later years were steroids. And he dosed himself with massive doses of testosterone and I remain convinced that that is what he used to keep an edge on his belligerence.

S: Interesting.

J: How did you come to find that out?

G: From his own writings.

J: Is there any way that we could look at those writings?

G: I don't know of any way of getting to them at this time.

J: Why? I know it's a simple question, but why?

G: Because the organization will not disgorge the true information which it has on Hubbard.

S: Do you think they've kept that information or do you think they've destroyed the information?

G: Both. So that there is certain aspects of what they've done and the criminal activity that they're involved in which they maintain and there're certain aspects of it which they destroy.

J: When you say the criminal activity they're involved in, do you think that the majority of Scientologists have any idea that that's going on?

S: The current Scientologists?

J: Yeah.

G: No.

S: Of course not.

J: Then?

G: When you talk about the majority -- the people at the top know.

J: Like David Miscavige and Norman Starkey and...

G: Yeah, and Gene Ingram? Sure. The people who control Scientology. And the lawyers. Oh, yeah, the Earle Cooleys of the world? Sure. They absolutely know that they're

involved in criminal activity designed to destroy civil rights of the members of the organization and the lives of anyone they perceive as enemies.

J: Can you give me two examples of civil rights that Scientology has violated?

G: Freedom of association, freedom of speech, freedom of religion.

S: Just to name a few, honey.

J: Ok. Yeah. I mean, thanks because...

S: Gerry, keep going.

J: That sort of thing I think is important. Most people don't realize that that's what's going on. Most people have no idea that that's going on. Did you feel like you were manipulated while you were in there?

G: While I was in there I don't recall that the subject of manipulation crossed my mind. I don't think I could have allowed myself to think that I was being manipulated. But...

J: Did you ever feel that way?

G: I felt absolutely controlled. But my understanding of the manipulation, the coercion, comes later.

J: After one pulls back and views it from the outside.

G: Yeah, well, I mean, technically I was inside but I had really begun to deprogram myself and so...

J: Did you tie yourself up? I mean we all know about deprogrammings. You get tied up, and ...

S: ... sexually molest yourself.

J: Did you tie yourself up and sexually molest yourself?

G: Oh, I mean, deprogramming has to do with that subject of manipulation. While you're programmed you don't know that you are being manipulated. When you're deprogrammed you realize that you have been manipulated.

J: So in order to be deprogrammed, one has to be programmed.

G: Yeah.

J: Deprogramming doesn't work on somebody who hasn't been programmed.



G: I would think that's true.

J: Yeah. I would think so too. I would think so too.

G: Accepting the word and the definition.

J: When did you leave?

G: December '81.

J: Why?

G: It was time to go. (laughter)

J: Would you tell me a little bit more about that. I mean, I believe what you're saying but not everybody knows the Gerry Armstrong story. And I think a lot of people might be most interested.

G: Ok. Well, I came to the point I guess a couple of weeks prior to that and I had been very vocal on the subject of the lies, Hubbard's lies, the organization's lies and the organization's activities. And my vocalness had come to the attention of Norman Starkey. Norman Starkey at that time was on a mission operated by David Miscavige, the purpose of which was to take care of Hubbard's legal problems so that he could come out of hiding. And Starkey one day came into my area, Hubbard archives area, and we had a conversation. And he accused me of saying things about Hubbard which were untrue. And one of the things he said was, Hubbard -- he wanted, Starkey wanted, to charge the PRs through the ages with creating the lies which I have documented.

S: Well... now hadn't that happened to a large extent? Did Lizzie and Laurel -- for a period of time, I don't know what happened to the whole thing, but they took the fall that they had made it up and they had written these falsehoods about L. Ron Hubbard.

G: But they weren't around in 1950 and 1952 and 1965...

S: No, but they were the ones who -- they had written down the biographical information on L. Ron Hubbard, how it was dictated to them by L. Ron Hubbard, per my recollection.

G: But they were not there. If you look at -- what's the book on the atom bomb, the nuclear physicist's book -- "All About Radiation". If you look at that book and if you look at the bulletins that were written in that era it says, L. Ron Hubbard, a nuclear physicist. Lizzie wasn't there. Laurel wasn't there.



S: That's true. That's so true.

G: How can you say -- I mean, it's like one thing to make those people scape goats, but those people weren't there in '56. Laurel wasn't old enough to be there in '56. She was in our generation. I mean, you know, we're the 60's. We're the baby boomers.

S: Lizzie certainly wasn't there, either.

G: Anyway, what I did was show Starkey in Hubbard's handwriting where he had called himself a nuclear physicist and Starkey just went silent and he stormed out. And a short time later I was called down to Gilman Hot Springs.

J: Do you think he had a major ARC break?

G: No, I think that he recognized that everything that he had put his life into for so many years and had done so many rotten things and attacked so many people in defense of. That he saw that that hung in the balance and he had to go one way or another. So he chose to close his mind. And he wrote to the ... one of the executives of La Quinta ... Gilman Hot Springs and requested that I be sec checked.

J: This is the Golden Ere Studios, or Golden Era Studios.

G: Right, but at that time -- I'm not sure what it is now.

S: No, cause it's at Gilman's.

G: CMO headquarters...

S: This is at La Quinta.

G: No, this is Gilman.

S: Oh, this is Gilman, ok.

G: Yeah, this is -- CMO headquarters, in any case. And so I went -- I was called to Gilman and I spoke to Cirrus Slepp. And she asked me about -- she actually showed me Starkey's report on me. And I said that I -- you know I was quite open with her.

S: Now Starkey reported that you had fabricated this information?

G: No, Starkey reported that I was criticizing Hubbard and he wanted to find out what I had been saying and what documents I had been giving to Omar Garrison because I'm working closely with Garrison, and if I'm giving Garrison documents showing that L. Ron Hubbard claimed to be a nuclear



physicist and L. Ron Hubbard lied about being a nuclear physicist and Starkey knew about many more lies...

J: The cat would be out of the bag.

G: Right. So he wanted -- they wanted to keep a lid on it. Cause his job, of course, is to continue the myth of L. Ron Hubbard. Starkey's put a whole life into doing that. He's dedicated to that illusion.

J: Starkey got into Scientology in the 60's in South Africa. So he's been in a long time, probably 30 years.

G: Yeah

J: That's a long time to put in. It's at that point 20 years.

G: Right. And he was in a position of power. And he liked those positions of power. And this is, of course, some kind of a threat. I mean, here's just some guy down there making all kinds of noise and essentially calling L. Ron Hubbard a liar.

J: You know, one of things that always... I'd always thought about in Scientology was the is-ness, as-is-ness, alter-is-ness and not-is-ness. It says in order for something to survive or continue there has to be a lie in it. And the question that always came to my mind -- the first question that always came to my mind is, for Scientology to continue it must have a lie because it says so right here. In order for anything to continue it has to have a lie. So I always wondered what the lie in Scientology was.

G: The lie is that is Hubbard's philosophy. Hubbard's philosophy is flawed. It is a corrupt, dishonest philosophy. And he was a corrupt and dishonest man.

J: You must hate his guts. You must hate his guts for a person who's ... for a person who's been loyal...

G: That which will survive is that which can never be altered. That which is altered and that which is hence unreal, that which is a lie, will not persist. Now you can try and Hubbard can try but you will not get lies to persist.

J: That's true because there's always some truth under there and they'll pull the truth out and it's fixed full of lies.

G: The truth will be there no matter what you do with it.

J: We need to go eat lunch, or dinner?

G: Oh, ok.

J: So I think that you have an appointment.

G: Yeah.

J: Before we do that, let me ask you two quick questions.

G: Ok.

J: You left in '81.

G: Right.

J: You were sued in '84.

G: '82.

J: '82.

S: Jerry?

J: It went to trial in '84.

G: Right.

S: We should just pick this up, because...

J: We will.

S: Ok, I just wanted ...

J: We will. But, I just want to get this on here. They lost the suit against you.

G: Right.

J: In '86.

S: Big time.

J: In '86. They sued you in '82. Went to trial in '84. In '86 they settled out of court with you.

G: Right.

J: For hundreds of thousands of dollars, if my sources are correct, and you don't need to verify ... or hints at all, if you can let us -- if you want to, it's fine. But there's no reason to give anything. If my sources have been correct you got \$800,000. You -- Scientology paid you \$800,000 because you knew the truth about L. Ron Hubbard. You knew the truth. And you have been harrassed and you've followed. You've been lied about. You've had people watch you 24 hours



a day for weeks on end. You've had to go through extreme mental pressure today, yesterday, even. Gene Ingram says things to you like, "Gosh, Gerry, you look like you have AIDS," when in fact you're a very healthy person and you're a marathon runner. And it's...

G: Right.

J: Settlement aside, but, these other things are correct.

G: Right.

J: These guys are still harrassing you.

G: Right.

J: And you were a loyal, loyal, Sea Org member. Never in your wildest dreams did you think, when you got into Scientology, and you dedicated your life to this, if ever they had put you in this position.

G: Right.

J: Thanks. Can we continue this?

G: Yeah.

J: Thanks.

G: Thank you.

[RESUME TAPING]

S: Hi Gerry, you left in '81.

G: Right, December '81.

S: Can you tell me what led up to your departure from Scientology?

G: Sure. I had come to the conclusion at the end of '81 that the organization was not going to reform its ways, it was not going to correct the lies L. Ron Hubbard had told about himself. L. Ron Hubbard was not going to correct the lies he'd been telling about himself. The organization was not going to change its -- what I considered -- criminal and anti-social behavior. And I knew that my days were numbered, that I could not continue to be in the organization taking the stand that I had been taking, being vocal on the subject of Hubbard's lies. So I really was faced with only one choice to make and that was to leave. So, I carefully, cautiously, and over a period of a week or ten days removed my few belongings and my wife's few belongings out of the



building and we cleaned our living space before we left. Left the few pieces of Sea Org uniform that I had, and we drove away.

S: I see. Now didn't you at this time do something rather brazen which is like -- didn't you keep some of the documentation for some period of time and send copies to the church or vice versa kept copies and sent stuff back to the church?

G: No.

S: No?

G: No, I didn't. I worked very diligently and my wife Joyce -- and Jocyn -- worked very diligently for the last couple of weeks copying whatever we could copy of the documents which I had in archives, many of which I had already copied and already provided to Omar Garrison, but I was dedicated to Garrison. I sensed, or knew, that whoever took over the biography project after I left, and I assumed that it was going to be Vaughn Young, because he'd been working with me on the project at that time and it was my expectation that he was going to take over the project, that the organization once I left would not allow Garrison the access to the materials that I had so my dedication to him, my dedication to the biography project and my dedication to the attempt to bring to light the truth brought me to copy everything I could, and what I couldn't copy and all the copies that I had remaining, I took to Garrison at the end. So I provided them to Garrison and then Joyce and I drove up to Canada. And at that time we were completely documentless. I did not have any documents. Didn't do anything with the documents for a period of time.

There came a time some months later because I began to work for Garrison outside the organization that I, at his request, copied a lot of the copies which I had given to him because he wanted to set up a separate archives because he felt that the organization was going to burglarize his place and steal the materials that I had provided to him.

So, that second set of materials was what I then provided to Mike Flynn, or sent to Mike Flynn, after I knew that the war with the organization had started, in the spring of 1982.

So, the organization's claim that I stole all these documents -- that's simply not true. I was under contract to provide the documents that I could to Garrison and I performed pursuant to that contract. It was only as a result of the organization's declaring me an enemy -- I knew that I was then fair game. I knew that the battle had been engaged. And I took it as what was the only sane thing to do. Anticipating a legal battle. In fact I was told to get a lawyer. I did.



I got Mike Flynn.

S: Okay. And so, then, how did it progress from that point, the legal battle?

G: Through the spring of '80 -- late spring of '82 and into the summer I provided sets of documents as I was able to get them from Garrison and copy them. I sent them to Mike Flynn. Some of the documents that I sent were some of the originals which I had provided to Garrison.

Some of the originals I provided to Garrison because he needed, or, we felt, that it was very good to have originals because he was considering including copies, photographs of the original documents in the biography, some of the things which were in Hubbard's handwriting and on the original paper would have been great included in the biography. So some of them he had for that reason. Some of them he had because I just didn't have time to copy them. It was our intention that Garrison would copy them and he'd provide -- give the originals back to the organization.

But some of the documents were originals, but most of them were copies which I provided to Flynn.

S: Now up to this point Mr. Garrison had been, as you'd stated before, an ally of the church. And Did he also -- was he becoming disillusioned with all this newly discovered information?

G: I think he was -- he wasn't probably as illusioned as I thought he was. He really was an intelligent man living on the outside of Scientology, and had provided as a writer a service for them in doing the books that he'd done. But he thought his own thoughts and he was independent of Scientology. And he is a -- he's a fighter in his own way, so he had already had his own battles with Scientology just to arrive at the products that he'd done.

So it came to him as really no surprise. And It was a surprise to me that it was no surprise to him. He was pretty real about the whole thing. But, he did begin to understand that he had possession of very sensitive documents and that the organization would then consider him, if not an enemy, certainly a major security threat in that he possessed these very sensitive documents.

S: Okay. So, you went to court. The Church filed suit against you, am I correct?

G: Yeah. August '82.

S: You countersued.



G: Right.

S: This was a big suit. I mean this was well covered in the LA Times. This was like a very big, visible suit. Can you tell me how that progressed and what the outcome was? And who all was involved?

G: Sure. They sued me in August of 1982 seeking to recover the documents which I had sent to Mike Flynn, and seeking damages. And the causes of action were conversion. They considered that my providing -- initially they claimed that my providing the documents to Omar Garrison was conversion because they did not know at that point that I had retained a copy of the contract to show that Garrison legitimately had the documents and that I legitimately had given Garrison the documents.

I defended the suit initially by stating that the documents were not the organization's documents but were L. Ron Hubbard's documents and L. Ron Hubbard should bring the lawsuit but L. Ron Hubbard would not come out of hiding, and he was afraid to come into court. So then Mary Sue Hubbard intervened on his behalf. And she claimed a proprietary interest in the documents.

That was the initial stage of the lawsuit. The judge in Superior Court -- I think it was Judge Coale, then ordered the documents which I had provided to Mike Flynn and to my other lawyers Contos and Bunch in Woodland Hills -- he ordered those documents be delivered to the court and they stayed within the possession of the court through the lawsuit, through the pendency of the lawsuit up until the time of settlement which was December 1986.

So, they initially sued me, and then I filed a counterclaim for the intentional infliction of emotional distress and for fraud. That then, the two cases were bifurcated -- they were split apart so that initially all that got tried at my trial, at the Breckenridge trial in the spring of 1984 was their lawsuit against me. And out of that came the famous Breckenridge decision in which he found that because of my knowledge of fair game, of organization intelligence operations and of the fraud of L. Ron Hubbard that I was justified in going to Garrison, getting the documents that I knew about and sending them to my lawyer. So ... That was the result of that trial.

My case against them...

S: Was that a jury trial?

G: No, judge trial. My case against them did not go to trial



because that was settled. It was scheduled to go to trial. At one time in December of '86, then in early 1987. And in large part because it was scheduled to go to trial the organization settled it.

S: Now I know a lot of other executives at the time sort of -- I wouldn't say rallied around you, but, but, came to witness against the Church during this time.

G: Right.

S: And that was a big thing at the time, right, because these were some of the senior most executives of the church.

G: Uh huh. Laurel Sullivan who'd been Hubbard's public relations officer whose history went back with him through the Sea Org. Bill -- sorry, Bill Franks wasn't there. Homer Schomer. Eddie Walters.

S: Kima, didn't Kima..

G: Kima testified. Nancy Dincalci. So a number of them were, really my friends. People who I'd known inside the organization and outside the organization. A group of friends who were quite close to me and who had the courage to come forward and testify.

S: That's great. Now, your suit settled and -- bring us up to date to this point as well as how you feel retrospectively about the whole situation, what, you know, what would like to do now, are you under a gag order presently? Are you not?

G: I'll give you the history.

S: Ok.

G: So in, From 1984 after the Breckenridge decision there were a series of events -- operations that the organization mounted against me to compromise me, to set me up, to get me charged with false criminal charges, any number of things. The onslaught...

S: 1984, that was during the trial -- during your case or prior to your case or after your case?

G: They began before -- in 1982 they had PIs on me, I was assaulted, I was driven into. They tried to get me in a highway accident. They harrassed me day and night for well over a month. Then as a result of the court's comment about this kind of activity, they backed off. They kept up the legal onslaught and they deposed me in any number of cases and within my own case. And they ran operations against me. You okay?



S: Yeah.

G: But it was really after my trial in 1984 when they escalated the war. They sent around my friend Dan Sherman. You may know him. And I liked Dan. We were really close. And we hung out a lot. But the whole thing was an operation to get Dan close to me so that I could be set up. And what they tried to do through Dan was to convey to me the idea that there was a group of people inside the organization who wanted to reform it, who wanted to get rid of the criminal element at the top of the organization and have it revert to its pre-Guardian's Office, pre-criminal days. Get rid of the criminality.

S: Now, so at this point, were you supportive of that effort, on Danny's part?

G: Well, at first all it was was him telling me that there was this group of people and then he would send me messages from them. And then gradually I built up a relationship with them. These people claimed to be a core group of 35 people inside the organization who were working covertly because of their fear that should it become known that they wanted to reform the organization they said they were afraid for their lives.

S: So at this point despite everything you knew about Hubbard you must have had some faith in the technology of Scientology. Or am I wrong? Am I mistaken? I mean if you thought well we can restore this organization to its original intention to be, you know, this may be humanitarian group or maybe this ...

GA: No. No, it's more like downstairs here there could be any number of Catholics, Protestants, Jews or whatever, but I support the cause that they're involved in. It's that sort of way. I did not consider myself a Scientologist, but, if Scientologists want to continue to be Scientologists and at the same time clean up the criminal element in the organization I can support that without myself being a Scientologist. So I supported their intention of reforming the organization. And I didn't know who they were. I'd never spoken to them so it was sort of a support from a distance -- there was nothing to do. He was relaying this information to me.

Then they initiated a dialogue with me. They wanted to communicate with me. And they would send messages via Dan, the message that they really respected me for what I did, the integrity that I showed during the trial, and so on. I got a phone call one night from one of these guys just after the trial and just the day before I was to fly to London to



testify in the child custody case, the one that Jolly West quoted from today, the Latey decision came out of that trial. I went over there and testified. Well the night before I received a telephone call from one of these people claiming to be one of the 35 Loyalists. And he said, "We can get your pc folders. We know you want your pc folders. We can get them for you." "Oh, ok. What do I have to do?" "Oh, well you'll have to drive to a certain place in Los Angeles..."

S: Griffith Park.

G: No, this was a different -- I never went, I never bit. I never rose to the bait on that occasion. I said, "Well, to me this could be construed as accepting stolen property and it also could be an attempt to get ... to stop me, because of the times that were involved, to stop me from flying to London, cause they did not want me testifying in the trial. I said, "As much as I'd like the pc folders I can't do it." In any case I flew to London and testified. There, in London, I was harrassed at Heathrow Airport by private investigators. And they, in fact, wrote sworn affidavits that I was observed passing sealed documents to a bearded Arab in the Old Cock Tavern, pardon me, on a particular Tuesday night. I had in fact been at the Old Cock Tavern for lunch on the day previous but I was not there now on a Tuesday night. And the whole thing was concocted, but that's true to form of Scientology, you know, manufacture evidence. So they ... a Scientology operative will swear to anything. The fact that it's a sworn affidavit doesn't mean anything. But it was just another piece of the ongoing operation to compromise and set me up.

I returned to the U.S. and then I was contacted by two people. One of them was David Kluge, who I only knew at that time as Joey. And the other one was Mike Rinder, who I'd known from inside the organization in the Sea Org. And both of them -- and all of this was video taped, illegally, covertly, by Gene Ingram. And I didn't know at the time and I talked to them like I ...

S: This was the meeting in the park.

G: Right.

S: The famous meeting in the park.

G: Right. And there were a series of meetings in the park but I talked to them like I talk to you and I -- you know my language was atrocious. I made bad jokes. Just rotten. I had a foul mouth at the time. But I was also -- you know, I mean, I could pick up that there was something weird going on because what they would tell me off camera seemed to be so different from the questions that they're now we're sitting on a park bench and they're talking to me. And I'm ... was



completely open about the whole thing, but I also knew that there was something weird about it so a lot of what I'm saying on the video tape reflects that aspect of the thoughts that are going through my mind about how strange this is.

But there are some really funny things that occurred. If you've never seen the videos, they're very, very funny.

S: You know, I on't know, Gerry, that the videos were ever shown. What I do know is that a transcript of these meetings was published in Freedom News Journal.

G: Right. A part, part of it.

S: In part. But it was very interestingly written because it would say -- it would have a quote and it might be a sentence, and then it would say, "And then he said..." and the rest was all just like editorialized, "And then he said this and this and de-de-de-de-de-de-de-de-de." And then there'll be another quote. And I thought, "Well, if he said these things why didn't you just publish the dialogue? Why are you giving me your interpretation of what he actually said?"

J: True to form.

S: Of course. It amused me. I was still involved in Scientology. Still a believer. I saw this. I have to tell you, this shook me, cause I went, "This is nuts." Who could ever believe this article? And I was truly, truly committed to the organization at this point. But it really made me go, "Please, this so discredits them. Why would they do this this way?"

G: When they first broke the videos in 1985 up in the Christofferson trial, before they were shown to the jury the judge viewed the first two videos. And he viewed them in his chambers, then he came back out and he said, "These are very damaging, damaging to the church." Right. And they polled the jury after the trial. And they said that the video tapes of me only proved one thing. And that was that fair game was alive and well in 1985.

So, the Scientologists are so blinded. Here's the way I think it went down. People are reporting to Hubbard through this time that they have an intelligence connection to Armstrong. And Hubbard hates Armstrong, you know, cause I've been saying all these things. And they've been telling him that I took the documents.

S: Pull back the curtain.

G: I mean, out of what I did came the Breckenridge decision



which stated, "This guy is a paranoid, schizophrenic." I mean just the worst thing that he ever wanted to hear. But true.

But they -- the organization could never tell Hubbard the truth. And Hubbard could never hear the truth, so there's a perfect situation there for Hubbard to get partial truth and it always happened inside the organization, then he would issue an order. He would issue an order, in this case, like, "Get that into evidence. That'll destroy Armstrong." Because they're telling him, "We've got video tapes of Armstrong saying 'this,' and of course, they take one line out of context." But that's the big win that they want to convey uplines to Hubbard.

And of course, Hubbard doesn't get the whole picture, but now he has issued an order. And now they have to jump through the hoops to get those video tapes -- illegally taken, and the judge stated up in Oregon, these things are illegal. But they fought to get them in. And after the judge said they're damaging against the church, does anyone care? I had to go through the incredible embarrassment of my foul mouth, and I didn't know, you know, did I pick my nose, you know -- how did I? You know there's four hours of video tape I was just -- I was a total jerk.

S: (Laughter)

G: But I understood after a while I really -- it was terrible to me. Up in the Christofferson trial. When I knew that my friend, Dan Sherman had set me up, that the whole thing was a set-up, that they'd video-taped all of this stuff, the betrayal was so awful to me. I was suicidal for just days. I walked out of the courtroom. The judge got rid of the jury, sent everyone home, and he was busy watching these things in there. And I'm sitting, I'm alone out there in the courtroom for an hour and then someone, one of the Scinos' lawyers walked in and made some complaint about me even staying in the courtroom and so I walked outside.

And we were on the third floor of the courthouse. And there was, you know, the stairs came up like this onto the third floor and then they went around like that so there were two places where you could look down three floors onto the marble floor below. It looked just hard enough that it would do the job, just smack! I really considered it for a long time. I walked over to the railing of one of these areas and I looked down, and I was just contemplating just ending it right there. Then I realized that down below was a set of pay phones and that, you know, someone crossed over there to the payphone and I realized, you know, here I go to end it all and I take some innocent guy out walking to the payphones, so I couldn't do that so I walked over to the other one, thinking well, you



know, here's an opportunity. And there was a bank of Coke machines. And so, you know, just out to save some other poor guy, I didn't take my own life at the time.

But it was horrible. I just ... I came just so close. And I... My heart -- there was incredible pain. One night I just couldn't sleep and there was this pain and I just couldn't breathe. Awful! It went on for some days over a weekend and then into the next week. I think they had me on the stand for 10 days, 7 or 8 of which were cross-examination with the great Earle the pearl Cooley. Anyway ...

So that's what happened in 1985 and they just continued after that. Then they culled my pc folders. And they sent all the most scurrilous stuff out of my pc folders. And they put that ... filed the stuff in my case in LA Superior Court.

S: Well, you had to have of known that that was going to happen.

G: Well, I mean, you get a sense but you really can't believe it until you see it. And then you can't believe the twists that they and their lawyers put on it. You know and there was this dream I had. I had a dream up in Portland in '85 and I sent it... I've had very few memorable dreams in my life and only one or two of them have I ever written down. And this one was so vivid and so memorable that I wrote it down. And I wrote it, I think, very concisely. It was some of my very best literature because it is really tight and really good. It's also really foul. The language and the concepts are just grotesque. But it was a great dream. And I sent it to Dan Sherman because he's my literary buddy. It ends up the Scinos get it and they got that! And they want to put that into evidence in the ... the Christofferson trial!

That one, that one followed me this last year it showed up in Johannesburg in South Africa. The organization provided it to their lawyers over there to attack me with. A dream! And they twisted that -- that the fact that I had a dream was the proof of what a perverse, distorted guy I was. Anyway...

So, there was a series of things. When I first arrived in Boston, in September of '85, well October '85, they brought criminal, they attempted to bring criminal charges against me with the FBI for impersonating an FBI officer. Five times they brought either flat out criminal, or quasi-criminal contempt charges against me. And they tried the same thing in Marin County.

S: Gerry, let me stop you here for a minute. What motivates you. I mean, why on earth wouldn't you say, "I did this. I messed up. I made a wrong choice. I'm just going to go away now. And have my life and just ... you know, I have my wife



and I have our birds or..." whatever you guys had at the time. I don't remember. I used to get Christmas cards from you guys -- I think you had birds or cats or something.

G: Yeah! We had birds. That little guy could talk.

S: Nicky?

G: Mikey.

S: Mikey.

G: Right!

S: That's right.

G: Anyway, there was a period of time, December '86. It was the time of the settlement. And we'll get back to the settlement in a minute.

I felt that I really could get on with my life. And I could do a number of other things. I began to, I mean I'd always written, but I wrote seriously. I drew seriously. I spent a lot of time doing my things. I had my own life. And I maintained communication with my friends you know, who I did not disconnect as a result of the settlement. The organization may have felt that I should have or had to or that I was contracted to but I didn't do that. But I really had my own life and I wasn't involved in anyone's litigation. And I didn't have to do anything about them for a period of time.

But the organization couldn't quit. They couldn't let the Breckenridge decision stand. They couldn't let my image stand, whatever I represented to them so they continued their attack. They continued in a false -- what they call a Dead Agent pack that they put out against Bent Corydon in 1987. They did it in the Russell Miller case, in London in 1987. They filed 8 absolutely false, scurrilous affidavits regarding me, specific to me in that case.

S: And this was post-settlement agreement.

G: Post-settlement agreement. Gene Ingram provided an edited version of the video tapes -- the illegal video tapes to the London Sunday Times.

S: Now let me ask you something? In this settlement agreement, does it clearly state that this was not allowed? In the settlement agreement? I mean, were they thus in violation of the settlement agreement?

G: In my opinion, yes! Because the settlement agreement,



unless it worked two ways, didn't work at all. But if it was only one-way, then they relieved me of any duty to perform by their doing that. In other words, they cannot -- if the settlement agreement is only a lop-sided, one-sided settlement agreement, that's fine! I honor it and I'm silent. And I don't do anything to violate it. Then everything works fine as long as they don't. But as soon as they, in a new, as they would say, unit of time do something, I clearly have the constitutional right to respond and speak out. They waived the right. They had to remain silent whether it said they had to remain silent or not. Additionally --

S: Did it say? That they did? I mean, was it one of those agreements that Okay, we're just going to both let by-gones be by-gones?

G: That's exactly the words in it, yes! Anyone would interpret it that way. And anyone did. But they interpret it by saying --

S: You should let bygones be bygones and get over it but they didn't have to.

G: Not only that! That they have a right to say whatever they want and I must remain silent even if they can say that I was an ax murderer. And I must remain silent? It doesn't work. But not only that, I realized that my silence was in fact an obstruction of justice. Because all of those people who depended on my testimony, and I have great testimony regarding the fraud of Scientology, was vital to anyone who'd been defrauded by Scientology. So I felt that I really have a right and a duty now to stand up to the organization. I did not --

S: So you were feeling like you were getting over it and you wanted to leave it alone and you wanted to get ahold of your life, for a period of time until they began to lash out at you, at which point you said, "Hey, I don't need to lay down, for you to run over me."

G: Well, there was a series of -- even though they published the Corydon Dead Agent pack, even though they published the material in the Russell Miller case in 1987, shortly after the settlement agreement, I didn't do anything. And I didn't do anything until I got a series of telephone calls from Larry Heller, organization attorney threatening me with law -- with being sued if I were to even testify pursuant to a subpoena. So I knew at this point, "This has gone too far." And what happened was I was subpoena'd to testify in a deposition in the Bent Corydon case. Toby Plevin subpoenaed me. Now I had maintained some communication with Bent because he is my friend. I had not assisted him in any way in his litigation



because I had agreed not to do that but I knew that if he subpoenaed me, that that was senior to whatever settlement agreement existed.

Another aspect of the settlement agreement that you should know, was that I was told before signing it by my lawyer, Mike Flynn, that it was "not worth the paper it's printed on. You do not have to obey this. It cannot be enforced." So I signed in large part because Mike Flynn said that.

Now, in addition to that, Mike Flynn had told me through time -- and I had grown to understand that 1) the organization had attempted to assassinate him 2) it had destroyed his marriage and 3) he had to get out of the litigation for those reasons. So I was faced with, if I don't sign, then all of these other people don't get to settle, my lawyer can't get out of the litigation, it's going to go on forever, and in addition to that, I've been told by my own lawyer it's unenforceable, it's not worth the paper it's printed on. So sure, I'll go ahead and sign this thing and I will even attempt to honor it knowing that the only hope for a settlement with that organization is if they do change their spots if they do indeed turn over a new leaf, and if they do indeed repudiate fair game. They haven't done it. Hence we now are again locked in battle.

S: Now what is your present litigation with the Church of Scientology?

G: They brought a lawsuit to attempt to enforce the settlement agreement. Out of it ... in May of this last year, there was a hearing here in Los Angeles, in Superior Court, in front of Judge Sohigian. The organization claims that they got a great big win out of it and that I am enjoined pursuant to the settlement agreement. Not true! Judge specifically said that he would not enforce the settlement agreement other than one very narrow issue. The very narrow issue is that I cannot except pursuant to a subpoena, assist someone intending to file a claim or pressing a claim against the organization. Now that we are appealing even that narrow ruling, because that's unenforceable because if you construe that my... that this video could possibly indirectly help someone in the future, I can't do this. And not only that but if you consider that my existence indirectly or directly helps someone, then I am obliged to take my own life. In other words then I must stop breathing. It's unenforceable hence I feel that I am completely at liberty to associate with whomever I want, to talk to whomever I want, and I act in life that way.

And that is in part why I am here at this event now, why I came to the CAN Conference.



S: OK, so what are your further plans? I mean, you're doing great, now. You've got this luxurious long hair.

G: I want to run a 236 marathon.

S: 236 what? 236 yards?

G: 2 hour and 36 minutes marathon. And I want to..

S: That's what you do, you run.

G: I run. So I want to do that. And I want to end the litigation and I want, you know, peace for everyone. I want to reform the economic system of the world and that's mainly it. I don't have any designs on the U.S. presidency.

S: Presently.

G: No, I can't have, I'm Canadian.

S: Oh, That's right.

G: OK are we done here?

End of Tape.







December 22, 1992

David Miscavige and all other individuals who participate in the control of Scientology  
C/O Laurie J. Bartilson, Esquire  
Bowles & Moxon  
6255 Sunset Blvd., Suite 2000  
Los Angeles, CA 90028

Re: Nothling v. Scientology

Dear David and all others involved:

I am writing this to you, and the various copy recipients listed below, because there are certain things it is fair that you know. Although it is the trial in the Nothling case, which, I understand, is set for early February, that has moved me to write at this time, the idea of writing has made addressing a number of other subjects also timely.

You will recall that in June of 1991 when Malcolm Nothling called me and asked me to testify in his case in Johannesburg I wrote to the organization via Eric Lieberman to see if by initiating communication on the subject you might see that there was an answer to your litigation problems different from the one you and your erstwhile leader had been believing in and pursuing as long as any of us can remember.

Mr. Lieberman wrote back, essentially advising me you said stick it in my ear, and that more, not less litigation was going to be the same old solution; and to not expect communication other than the solidest of sorts. Copies of Mr. Lieberman's and my letters are enclosed herewith.

I did travel to South Africa in 1991 to testify, as you know, but the trial was postponed on the organization's motion. Now it's set to happen again. Again Mr. Nothling has asked me to testify, again I have agreed, and again I am writing you to see if there is any sense in attempting to unfoment this litigation.

Your public attack line that Gerald Armstrong foments litigation against you is particularly hurtful because of what I have done and continue to do to unfoment litigation. Even my signing of your settlement agreement was, in the face of your intent to hurt me, which fact is settled by the agreement itself, an act only of unfomentation.

You all should take a good hard look at the hurt your practices, certainly your litigation practices, cause in the world. And you don't have to desist in them because of anything I've said. You can knock off those bad practices for any reason you want, including because they don't work and make no sense.



All the decent people, believe me, in your organization want you to get out of the stupid attack-the-attacker business, and they'd salute you for getting the organization out of that silliness, but they're too frightened. You shouldn't frighten good people that way. It's cruel. And any thinking soul knows that you guys are only acting out of fear, so you really are not fooling anyone with your blindness and bluster.

I realize you've put your faith in really bad things, like lies and PR, threats and bullying, and really mean people, like Gene Ingram. And I'm aware that having put your faith in badness for so long, and spent so many millions of dollars to have so many bad lawyers make so many bad decisions and add so much to their brethren's bad name, it can seem impossible to quit. But you must. All it will take is the willingness to unfoment your litigation.

Eugene M. Ingram has done such nasty things to so many people in the service of your organization, you and he should be spanked. His terrible charge at the CAN convention that I have AIDS is heartbreaking, not because I have AIDS, which I don't, but because your pet pit viper personalizes and focuses your organization's institutionalized hatred.

By accusing me of having AIDS, you and Ingram attack not just me, you attack the many people whose lives have been touched by this disease, or for that matter touched by your organization, and you attack yourself. Your similar-veined attacks on other people of good will at the CAN conference, like Father Kent Burtner, has brought your organization to ignomy.

But the target of faith can be rechosen. And that is where I urge sense and unfomentation. Put your faith in what is real, what is true, what can always be depended on. Put your faith in what in people is true, unchanging and ceaselessly loving. Putting your faith in lies, PR, threats, bullying and bullies you will always betray yourself because you put your faith in nothing; and you and every being everywhere have a right to everything that nothing isn't.

Likewise don't put your faith in litigation or your use of the courts to harass. It is possible to be faithful to a higher ideal than wins in court. If you have put your faith in lies, leverage, advantage and bullying to secure a win, you have gained nothing. If you put your faith in truth, hope, charity, love, no matter the courtroom outcome you have everything; that's religion.

Since the 1991 almost trial in the Nothling case the California Court of Appeal issued its opinion in the appeal you took from the Breckenridge decision in Armstrong I, the California Supreme Court denied review, and the Court of Appeal



denied your motion to seal the appellate record. You brought and lost the motion to enforce the settlement agreement before Judge Geernaert in Armstrong I, and then you sued me to enforce it in Armstrong II.

In May Judge Sohigian issued his ruling refusing to enforce the agreement, although enjoining me from testifying unless pursuant to a subpoena. He also ruled that I did not have to not make myself amenable to service of process. I will supply a copy of the Breckenridge decision, the Armstrong opinion and the Sohigian injunction to any of the recipients of this letter upon request.

Because you didn't appeal from the Sohigian injunction, you have accepted it. I believe as well that for a valueless desire for a valueless win at any cost you also accepted his dicta; e.g. "involves abusing people who are weak," "involves techniques of coercion," "a very, very substantial deviation between [your] conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior," "be sure you cut the deck," "make sure to count all the chips."

As a result, I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted do I am going to do. I am going to write freely, speak freely, publish, talk to the media, associate freely, and continue, until you put your faith in something more religious than what is bad in jurisprudence, to confront the injustice you bring to court.

In the next month or so I expect to initiate speaking or media events to help pay the enormous costs of this litigation. And I expect to promote my legal position within the publishing industry, because my story and my writings on the subject are literarily and commercially worthy.

I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. I will make my knowledge and support available to any Scientologist who is afraid to go anywhere else for understanding, and to the families of Scientologists your organization has estranged. I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

I will, nevertheless, remain available to do whatever I can to unfoment your litigation. I will meet with you, talk with you, help you to find a better solution to your problems. Because of your decision to not have anyone communicate with me, no one from your organization has. I get a little lawyer



contact, lots of PI BS, an OSA hearing or deposition attender, enough psychic skirmishes for an army, but, for the life of me, no real people.

In 1991, fantastically, I was the only person in the world, other than Malcolm Nothling himself, who was willing to testify at his trial. And that was enough reason to go. In February 1993, although at this trial I probably won't be the only person willing to testify, there will still be ample reasons to go, unless the case can be resolved.

I really would rather there was no trial and I really would rather not go. Lord knows this last period has been overwhelming and the litigation behemoth terrifying; and Lord knows I have my own calling, which has nothing to do with your legal problems. So I'm willing to do a lot to unfoment the Nothling litigation, and all the tangled legal webs you've woven. But I sure can't do much if you continue to see legal warfare as the solution to your problems and continue to pay the millions your legal mercenaries say the warfare costs.

I am aware that with enough money to enough lawyers you, the leaders of your organization, can hide yourselves and make your roles in your trumped-up war seem very important. There is no doubt this is desirable, it just isn't fair. The real purpose of your little war is to facilitate your doing something different from Scientology, while all those whom you control must go through the daily grind you say you're above.

I don't fault you for doing something different from Scientology, but I do not find acceptable your holding Scientologists in bondage to your catastrophic cause, enforcing your lie that you have their best interests in mind, robbing their years of youth and vigor, and putting them at risk while you show up at the occasional ribbon cutting ceremony, lunch with lawyers and the like, sucker celebs, run PIs and intel ops, conspire, cheat, lie, steal, bully and destroy. I urge something more creative as a better idea.

Your hardworking staff members and people of good will around the world who have supported you financially and spiritually will not for much longer be fooled by your foolishness and will stop believing your lies. They will speak to each other, they will speak out against your suppression, and they will act to free themselves and their friends. You cannot much longer, as we move societally into the age of wisdom, cynically and sillily intimidate good people with threat and suppress good people with lies.

There is the matter of mitigation of damages which, because you insist your lawyers tell you what you pay them to say, you may not have heard or yet understood. In that by the Sohigian



ruling I am permitted to speak freely, write freely, publish freely, associate freely, when, it could be argued, and you have, that prior to the ruling and pursuant to the settlement agreement I was not so permitted, I have, in your attempt to enforce the agreement, prevailed.

By not appealing the Sohigian ruling you have acquiesced thereto. I am therefore due costs and fees in Armstrong II plus the costs and fees you already owe in your earlier losing and unappealed effort in Armstrong I. But in addition to the fees and costs now owing, and increasing as you protract this already lost litigation, there is the cumulative effect of your legal onslaught which, continuing after the case was lost, if not before, is in every minute malicious.

Gerald Armstrong and The Gerald Armstrong Corporation (TGAC) must also mitigate their damages. I have a duty, therefore, to end this litigation as quickly as possible. Thus I write to so many organizational recipients; thus I canvass to see if within the organization's many parts, all put at risk by their leaders' asininity and mean-spiritedness, there are people of good will who will see sense in what is in their best interest.

That after the Sohigian ruling you sued TGAC (pronounce that Tee-Gee-Ack) is silly and self-destructive. The only thing in the world Gerald Armstrong, individual, is prohibited from doing by the "injunction," is testifying about his Scientology history and knowledge without first accepting the perfunctory subpoena. TGAC only came into existence in 1987, six years after Gerald Armstrong's organization experiences ended, and a year after the Armstrong I litigation "settled."

TGAC cannot testify, with or without subpoena, about any Scientology experiences, because it has had, aside from those which have flowed from your lawsuit, none. Since no one, including TGAC, is prohibited by Sohigian from doing any of the things TGAC actually is capable of doing, it is free to do everything anyone or any other corporation can; and by not appealing the injunction you have so agreed. Thus, having no conceivably legitimate claim against TGAC, you depend on one manufactured from madness, and you must therefore dismiss the mess you've made.

There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me to not defend myself.

I realize you will probably claim to be offended by



everything I've written in this letter. I can't do much about that because you seem to take offense no matter what I say or write, or don't. For, *inter alia*, that reason I haven't said or written it differently. I really don't blame you for being offended and I don't expect you not to be offended; nor will I be offended if you are. I think my position is obvious and I think peace is worth doing something about, even if the fomenters of war are offended. I've used the words I've used because to me they make sense and they're a facet of my craft.

This letter is not really, however you may take it, a complaint nor an attack. It is an effort to unfoment your litigation, into which I have been, albeit for some God-given purpose, drawn. So, neither forgetting nor ignoring Judge Sohigian's admonition not to settle Armstrong II, but still hoping, with my heart crossed, here is my proposal:

1. Settle the Nothling case;
2. Settle with Ed Roberts;
3. Dismiss your complaint against TGAC and Gerald Armstrong;
4. Remove all your bar complaints against Ford Greene;
5. Pay my attorney fees and costs;
6. We will dismiss the cross-complaint and appeal;
7. Cancel the agreement;
8. Return all materials you've stolen from me at any time;
9. Pay me whatever you want, including, but not limited to, nothing.

1. Malcolm Nothling has a claim and he has survived a lot to get to trial. His costs, not much by US litigation standards, must be recognized, and he must be made whole financially, ethically and publicly. I am convinced that his daughter, but for your control of her mother and her life, would enjoy a healthy, loving relationship with her father. Therefore you must do whatever is within your power to reunite them.

2. You know about the Ed Roberts case because Ms. Bartilson interrogated me about my providing assistance to Mr. Roberts in my last series of depositions in Armstrong II, and one of your lawyers, Marcello Di Mauro, in earlier times communicated about him with Ford Greene. Ed Roberts is a friend of mine who



unless you cover my attorneys' fees and costs. To leave me with that indebtedness is unfair and unworkable. You will recall that I made a proposal in 1984, being then scared and weak: pay my lawyers' fees and costs of, I guessed, \$150,000, and I'll quit. You, and in those days, Hubbard, said no way. I, less scared and much stronger, urge you to choose again.

6. Dismissal of the cross-complaint is easy. I'll take care of it.

8. I'm aware this may for a long time remain a pettiness you'd rather not confront. But I can guarantee that if you return my materials - the Hubbard letters manuscript, the Cones, all the other materials you and your PIs have stolen from me over the years, I will not bring criminal charges, and I won't even bring the subject up again.

9. You have to cancel the settlement agreement in order to demonstrate to yourselves that it was the wrong thing in which to put your faith. You will notice that when you cancel the agreement nothing will happen. Yet you will have freed me. And that is what you should make Scientology's only business: freeing people. You will also observe that when you free me you free yourselves; in fact you cannot yourselves be free unless you free me.

Regarding my relationship with you after you cancel the agreement, that is where you must reassert your faith. Have the faith that I will neither say nor write worse things about you if you free me to do so. As you know I can say some pretty pointed things about you now just because you won't cancel that degrading document. Put faith in what occurs in silence. Put faith in the inevitable.

7. You decide. If you think I did a lousy job unfomenting your litigation, pay me zippo. Even if it all works for everyone, timing inspired and ideas a Godsend, you don't have to pay me anything. I generally don't refuse what's offered. You know how much I'm worth.

I haven't forgotten Wollersheim, Yanny I & II, the Aznarans, the CAN litigation, claimants all over the place, your government lawsuits, the rest of the settlement signatories, your taxes, nor your image and media distress, and I think it's appropriate to say that I can help you unfoment those problems as well. I would, of course, need half a chance.

If you look deep in your hearts I believe you'll find you really do not want Scientology's legacy to be one of suppression: suppression of the Constitution, human dignity, truth, religion, justice, even suppression of your own good selves. Wouldn't it be better to be known as the people who ended the madness in



was sucked dry and flat out robbed by your registrars on the way to an up- or downstat week of no consequence to anyone as it turns out, and always does, but Ed.

I have found myself in the silly position of being the only person in the world willing to help Mr. Roberts against your organization. Again, I have no desire to have Mr. Roberts engage you in litigation. In fact his situation can be resolved without your fomenting not only more litigation, but more ill will and silliness. For you it is merely an accounting matter. You ripped Mr. Roberts off; now pay him what is needed to make him whole again.

Mr. Roberts' case of Scientology lies, threats, treachery and thievery, his own money then used to pay your pitiless pettifoggers to prevent him from anything resembling redress, is being played and replayed every day of the year in your orgs. I would think that the three or so million you wasted on your inane USA Today ads to counter Richard Behar's few good pages could have taken care of three hundred Mr. Roberts and done a heap of good.

All your ads did was a heap of bad: more lies, more hate, more embarrassment for Scientologists everywhere, another dead forest, and an uncharitable little delay to your victims before they are made whole. The Ed Roberts case is, in my opinion, the proof of Time's theme: that you are - all of you at the top of your organization - a cult of greed. But worse, you squander your plunder, as witness Toronto, starve the good and fatten your PIs and proctors and their proctologists. And all with the fatuous excuse of a right to defend wrongness and attack rightness because your "religion's" stupidity is, in our courts of law, beyond question.

Anyway I want to have Ed's needs taken care of toot sweet. He probably wouldn't think less of you if you didn't apologize, but I think it's a good idea and sure couldn't hurt.

3. I don't care what order everything is done in. I think whatever is most practical, sensible and ergonomically sound is the way to approach this particular program, which, I'm sure can be wrapped up in a couple of days.

4. This is easy. These Ingram-generated efforts have only served to shine a light on your invidiously scheming enterprise. All your similarly baseless bar complaints against my other lawyer, Michael Flynn, came to nothing. You should learn from the earthworms. Filing no spurious bar complaints whatsoever they demonstrate their superior philosophy.

5. Although they're in the range of, I don't think fees and costs are over \$500,000. Clearly nothing is going to happen

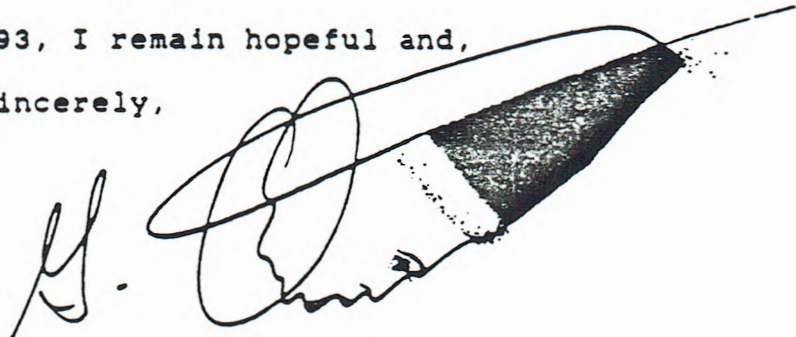


peace and style; a radical recognition of the transcendence of quantum scientology. LRH was Newtonian in his physics and relativistic epistemologically. I like to call one aspect of my philosophy, *inter alia* non-mutual exclusivity.

I believe that everyone will become a person of good will, that everyone already is, has been and will forever be, that there is progress and perfection, hope and reason, that to know who we are we must accept the truth of our relationship to our Creator, that all about us that we made is illusion, that we have reason to be grateful that is so, that our Creator, God, our Father Loves us in the same Love by which He created us and holds us always safe and always loved in that Love, that we, His children, are one and One with Him, that the means by which He is remembered, and hence our relationship, and hence who we are, and hence what we know, is forgiveness, that forgiveness is the recognizing of illusion for what it is, that creation is our nature, and that everything is all there is.

With a wish for peace in 1993, I remain hopeful and,

yours sincerely,

A handwritten signature in dark ink, appearing to be 'G. Armstrong', with a large, sweeping flourish extending from the end of the name.

Gerald Armstrong  
715 Sir Francis Drake Blvd.  
San Anselmo, CA 949650  
(415)456-8450

:ga

cc: Malcolm Nothling  
Ed Roberts  
Lawrence Wollersheim  
Richard & Vicki Aznaran  
Richard Behar  
Ford Greene, Esquire  
Paul Morantz, Esquire  
Joseph A. Yanny, Esquire  
Toby L. Plevin, Esquire  
Graham E. Berry, Esquire  
Stuart Cutler, Esquire  
Anthony Laing, Esquire  
John C. Elstead, Esquire  
Michael J. Flynn, Esquire  
Fr. Kent Burtner



Margaret Singer, PhD.  
Cult Awareness Network  
Daniel A. Leipold, Esquire  
Church of Scientology International  
Church of Scientology of California  
Religious Technology Center  
Church of Spiritual Technology  
Church of Scientology ASHO  
Church of Scientology AOL  
Founding Church of Scientology of Washington, D.C.  
Church of Scientology Flag Service Organization  
Church of Scientology of Arizona  
Church of Scientology of Los Angeles  
Church of Scientology of Stevens Creek  
Church of Scientology of Sacramento  
Church of Scientology of San Francisco  
Church of Scientology of Washington State  
Church of Scientology of Boston  
Church of Scientology of Portland  
Church of Scientology of New York







# Scientology in the Schools

Is L. Ron Hubbard's morals text harmless?

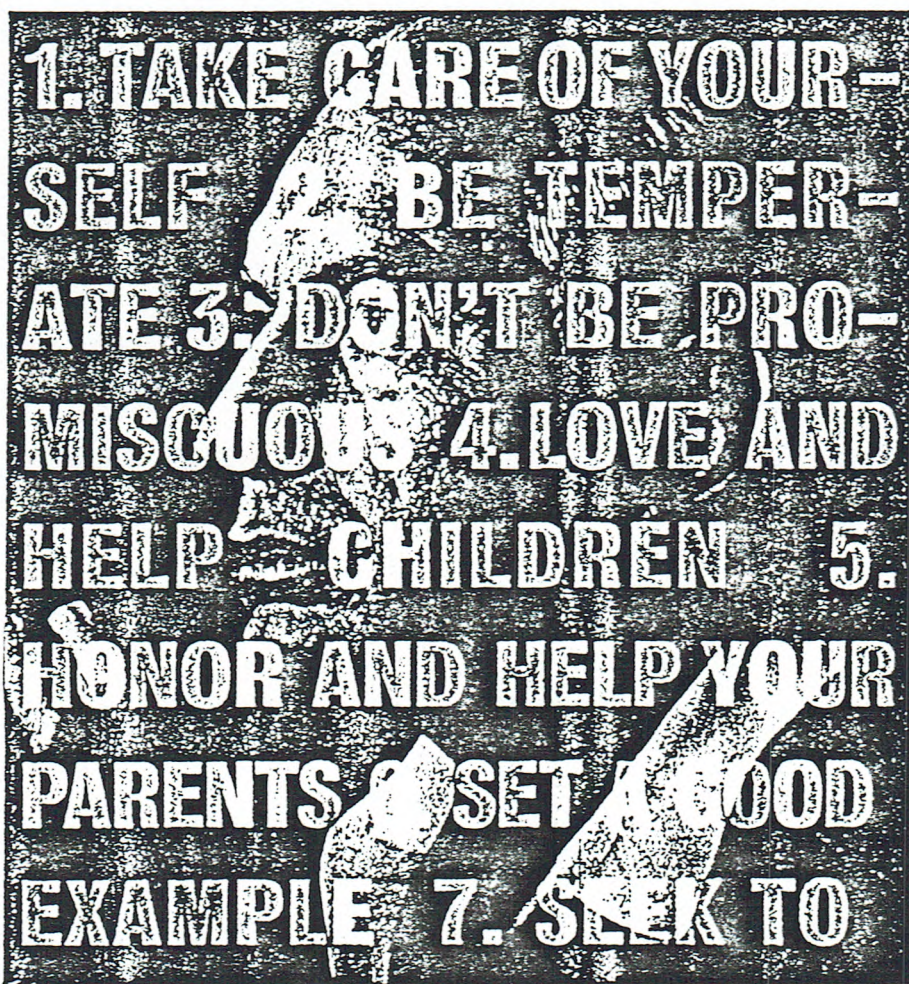
BY KENNETH L. WOODWARD  
AND CHARLES FLEMING

**W**hen Carol Burgeson received a copy of "The Way to Happiness" in the mail 18 months ago, she read it through and decided it was the perfect non-religious vehicle for teaching moral values to her senior students at Thornton Township High School in Harvey, Ill. So Burgeson ordered more free copies of the book by L. Ron Hubbard and used them to stimulate discussions in her classes. "It seemed so harmless," she says. "Brush your teeth, do your work, don't be tardy—what's wrong with that?"

Nothing. But she was more than a little surprised to discover that the late Hubbard, who is identified in the pamphlets by name only, was the founder of the Church of Scientology, and that the pamphlets are distributed by a foundation tied closely to his controversial religion. She's not alone. With little fanfare, Hubbard's text has found its way into the nation's schools. According to the Scientologists, 8,300 public-school teachers and administrators have used the morality text since it was first published in 1981. Altogether, church officials estimate, 6.8 million pupils in 7,000 U.S. schools have studied Hubbard's moral principles; internationally, more than 34 million copies in 17 different translations have been distributed—sometimes, say Scientologists, by major corporations. "That book," says the Rev. Heber Jentzsch, president of the Church of Scientology International, "has probably had more popularity than anything Mr. Hubbard has written."

The need for books on values has long been recognized by public-school educators. Strapped for cash and under pressure from parents to deliver a values-oriented education, many teachers and administrators welcome any text that promises—as Hubbard's does—to deliver sound moral principles on a "nonreligious" basis. But when *Newsweek* checked with public-school educators who received the text, some said that they had been misled. In Brooklyn, N.Y., Lawrence Herstik, principal of PS 238, initially welcomed "The Way to Happiness" as "a values-oriented book about righteousness and peace." But he stopped using the text after he discerned "an undercurrent of a religious nature." In Bellflower, Calif., Jeanie Cash, principal of the Frank E. Woodruff Elementary School,

ordered copies of the Hubbard book but refused to put them into her classrooms when she discovered that they came from the Church of Scientology. "They sent a brochure saying it was a self-esteem program," says Cash. "I feel that I was deceived. We feel very strongly about the separation of church and state."



Since "The Way to Happiness" claims that it is "not part of any church doctrine," Scientology officials insist that its use by public schools poses no problems. Hubbard wrote it in 1980, they report, the year the U.S. Supreme Court ruled that public schools in Kentucky could not display the Ten Commandments in the classroom. Like Scientology itself, says president Jentzsch, the book merely teaches "common sense." However, the volume is published by Bridge Publications, the church's own pub-

lishing house, and promoted through The Way to Happiness Foundation, one of several independent corporations designed to propagate Hubbard's thought.

All of these putatively "secular" organizations are coordinated by the Association for Better Living and Education (ABLE), which is an organ of the church. The "Way to Happiness" book is itself part of Hubbard's extensive philosophical and religious writings, which for Scientologists, says Jentzsch, "are the same as the Bible is for Christians and the Koran is for Muslims." What makes "The Way" acceptable for public-school use, Jentzsch argues, is that students who read the book do not have to follow Hubbard's moral

'Way to Happiness': Hubbard's 'secular' text

principles, while members of the Church of Scientology must.

On the surface, there is little in the book that would trouble any educator who believes in cleanliness, honesty, integrity and tolerance. Among Hubbard's 21 moral principles is this curiously relaxed restatement of the golden rule: "Try not to do things to others that you would not like them to do to you."



But Hubbard's catechism is also studded with jarring axioms. It declares, for example, that "the way to happiness does not include murdering your friends, your family or yourself being murdered."

More important, anyone familiar with Scientology will find that the text uses key words and concepts taken directly from Scientology's religious lexicon. For instance, Scientology teaches that the fundamental point of life is "survival," and that only those who become the "cause" of their own actions can be truly happy. This is also a major theme of "The Way to Happiness." More significant, Scientology teaches that the truth is "what is true for you." This relativistic view is repeated with emphasis in the book. On the other hand, the text is silent about most of Scientology's central tenets: for example, its belief that people suffer from evil deeds done in past lives that the church's ministers can correct through expensive counseling courses, and its adamant opposition to psychiatry.

Front group? Critics of Scientology, including some former officials, argue that "The Way to Happiness" is primarily a recruiting tool for the church. According to Vicki Azmaran, who once served as inspector general of the Religious Technology Center, the church's highest ecclesiastical organization, The Way to Happiness Foundation is "a front group to get people into Scientology" and the book is designed "to make Scientology palatable to the masses." Another former church member, Gerald Armstrong, claims that Hubbard wanted "rich Scientologists to buy huge quantities of this book for distribution. He wanted to go down in history as a scientist or a philosopher or both." Both Azmaran, who runs a private detective agency in Dallas, and Armstrong, who works for an anti-Scientologist attorney in San Francisco, are currently locked in prolonged and bitter litigation with the church over a variety of claims.

Church officials strongly deny that "The Way to Happiness" is a lure to attract potential converts. Still, the church is anxious to broaden its appeal by promoting Hubbard's various "technologies" for combating drugs, reforming criminals, teaching morality and learning how to study—and doing it through its sundry satellites: Narconon, Criminon, Applied Scholastics and The Way to Happiness Foundation. The church's encyclopedic reference text, "What Is Scientology?", claims that 23 corporate giants have used Hubbard's study technology. Yet a check of three of them—Mobil Oil, General Motors and Lancôme—brought denials of any corporate involvement with the church. But if the nation's public schools are any measure, Hubbard's tracts will continue to turn up in the most surprising places. ■

## Martyrs for Multiculturalism

### Courses that students at UCLA might die for

For 20 years, the University of California, Los Angeles, has offered courses about Chicano culture and history. But last April, on the eve of the funeral of Cesar Chavez, the farm workers' union leader, officials announced that they would not create a special department devoted to Chicano studies—instead they pledged to im-

content themselves with interdisciplinary majors taught by professors from traditional academic departments. That arrangement is unsatisfactory, say the demonstrators, because faculty members have little time or encouragement to concentrate on ethnic studies. Their solution: full academic status for Chicano studies. "We cannot continue to the next necessary step without departments," says Luis Torres, an English- and Chicano-studies professor at the University of Southern Colorado who also heads the National Association of Chicano Studies. (About 17 percent of UCLA's 23,000 students are Chicano; many have not joined the campus demonstrations.)

UCLA administrators insist that a field like Chicano studies—touching on history, sociology, literature, feminism and other disciplines—is best left as an interdisciplinary program. That structure encourages the flow of ideas among Chicano-studies faculty and other specialists. Creating separate departments, says UCLA Provost Herbert Morris, encourages a "Balkanization" that the university wants to avoid. "We need the ethnic perspectives to pervade all the departments," says Morris, who does agree that the Chicano program needed improvement.

Chancellor Charles E. Young offered to take several important steps to bolster the Chicano-studies program. First, all ethnic- and gender-studies programs would be exempt from funding cuts for two

years—a critical gesture because the UC system is strapped for cash. Second, new faculty would be appointed jointly to Chicano studies and an existing department—history, say, or languages. Also, Young insists that this year's decision need not be the final one. He suggests that the idea of a full-fledged department can be re-examined in a few years. Seeking an end to the demonstrations last week, university officials offered even more funding and more faculty for the program. So far, the protesters have rejected his offers—as well as food. In a state where minorities now account for nearly half of the student body at some public universities—and sometimes more—the bitter conflict at UCLA will not be the last.

CONNIE LESLIE with ANDREW MURR at UCLA



LESTER SLOAN—NEWSWEEK

### A fight to the death: Protesters at UCLA

prove the existing program. Since then, the campus has reverted to '60s-style protests. Students—mostly Chicanos—took over a faculty center, then trashed it. City police arrested 99 demonstrators. And now, on the lawn outside the administration building, nine demonstrators have taken a page from the Chavez manual, pledging to fast until a department is created—or they die.

Is this a cause worth dying for? "We are risking our lives to save lives," says hunger striker Jorge Mancillas, assistant professor of biology at UCLA's medical school. More academic attention, he thinks, will eventually pay off in a more prosperous, stronger Chicano community. But UCLA does not have separate departments for any special-interest group. Asians, blacks and women have all had to



**EXHIBIT R**



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4 Attorney for Defendant  
5 GERALD ARMSTRONG  
6  
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 IN AND FOR THE COUNTY OF MARIN  
10

11 CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
12 not-for-profit religious )  
corporation; )

13 Plaintiffs, )  
14 )

15 vs. )

16 GERALD ARMSTRONG; MICHAEL )  
WALTON; et al, )

17 Defendants. )  
18 )

19 GERALD ARMSTRONG, )

20 Cross-Complainant, )

21 -vs- )

22 CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
23 Corporation; DAVID MISCAVIGE; )  
DOES 1 to 100; )

24 Cross-Defendant. )  
25 )  
26 )

27 Cross-Complainant GERALD ARMSTRONG alleges as follows:  
28



PARTIES

1. Cross-Complainant GERALD ARMSTRONG, hereinafter, "ARMSTRONG," is a resident of Marin County, California.

2. Cross-Defendant CHURCH OF SCIENTOLOGY INTERNATIONAL, hereinafter "CSI" is a corporation organized and existing under the laws of the State of California, having principal offices and places of business in California and doing business within the State of California within the territorial jurisdiction of this Court.

3. Cross-Defendant DAVID MISCAVIGE, hereinafter "MISCAVIGE," is an individual domiciled in the State of California.

4. At all times herein mentioned, each Cross-Defendant was the agent, employee or coconspirator of each of the remaining Cross-Defendants, and in doing the things herein mentioned, each Cross-Defendant was acting within the course and scope of its employment and authority as such agent and/or representative and/or employee and/or coconspirator, and with the consent of the remaining Cross-Defendants.

5. CSI is subject to a unity of control, and the separate alleged corporate structures were created as an attempt to avoid payment of taxes and civil judgments and to confuse courts and those seeking redress for these Cross-Defendants' acts. Due to the unity of personnel, commingling of assets, and commonality of business objectives, these Cross-Defendants' attempts at separation of these corporations should be disregarded.

6. The designation of CSI as a "church" or religious







1           9.     From 1969 through 1981 ARMSTRONG was a  
2     Scientologist who devoted his life to Scientology founder, L. Ron  
3     Hubbard, the ideals he proclaimed and the Scientology organization  
4     he claimed to have built to promulgate those ideals. After  
5     leaving Hubbard's and the organization's employ and control in  
6     December 1981, ARMSTRONG was declared by Scientology to be  
7     "Suppressive Person," or "SP," which designated him an "enemy,"  
8     and became the target of Hubbard's policy of "Fair Game," which  
9     states:

10                "ENEMY - SP Order. Fair Game. May be deprived of  
11                property or injured by any means by any  
12                Scientologist without any discipline of the  
13                Scientologist. May be tricked, sued or lied to or  
14                destroyed."

15     Scientology using its corporate component, Church of Scientology  
16     of California ("CSC") as Plaintiff, filed a lawsuit, No. C 420153,  
17     in the Los Angeles Superior Court against ARMSTRONG on August 2,  
18     1982. ARMSTRONG filed a Cross-Complaint against CSC and L. RON  
19     HUBBARD September 17, 1982. The Complaint and the Cross-Complaint  
20     thereto, hereinafter referred to together as Armstrong I, were  
21     bifurcated and the underlying Complaint was tried without a jury  
22     in 1984. A Memorandum of Intended Decision was rendered by Judge  
23     Paul G. Breckenridge, Jr. June 20, 1984 and entered as a Judgment  
24     August 10, 1984. Scientology appealed.

25                10.    During the Armstrong I litigation Scientology  
26     carried out a massive and international campaign of Fair Game  
27     against ARMSTRONG and his lawyer, Michael J. Flynn of Boston,  
28     Massachusetts, hereinafter "Flynn," who had been the prime mover



1 in much of the anti-Scientology-related litigation throughout the  
2 United States. Acts against ARMSTRONG pursuant to Fair Game  
3 included assault, an attempted staged highway accident, attempted  
4 entrapment, theft of private papers and original artwork,  
5 dissemination of information from his confidential "counseling"  
6 records, filing false criminal charges on at least five occasions,  
7 global defamation, threat of murder, and illegal electronic  
8 surveillance. ARMSTRONG learned during the period he was  
9 represented in the litigation by Flynn that Fair Game acts against  
10 Flynn included attempted murder, theft of private papers, threats  
11 against his family, defamation, thirteen frivolous lawsuits,  
12 spurious bar complaints, and framing with the forgery of a  
13 \$2,000,000 check on a bank account of L. Ron Hubbard.

14 11. In the fall of 1986, while working as a paralegal  
15 in the Flynn firm, ARMSTRONG was aware that settlement talks  
16 involving all the Scientology-related cases in which Flynn was  
17 either counsel or party were occurring in Los Angeles, California  
18 between Flynn and Scientology. Such talks had occurred a number  
19 of times over the prior four years. On December 5, 1986 ARMSTRONG  
20 was flown to Los Angeles, as were several other of Flynn's clients  
21 with claims against the organization, to participate in a "global  
22 settlement." Prior to flying to Los Angeles, ARMSTRONG had  
23 reached an agreement with Flynn on a monetary figure to settle  
24 Armstrong I, but did not know any of the other conditions of  
25 settlement.

26 12. After ARMSTRONG's arrival in Los Angeles, Flynn  
27 showed him a copy of a document entitled "Mutual Release of All  
28 Claims and Settlement Agreement," hereinafter "the settlement



1 agreement," and some other documents including affidavits, and was  
2 advised by Flynn that he was expected to sign them all. Upon  
3 reading the settlement agreement ARMSTRONG was shocked and  
4 heartsick. ARMSTRONG told Flynn that the condition of "strict  
5 confidentiality and silence with respect to his experiences with"  
6 Scientology, since it involved over seventeen years of his life  
7 was impossible to perform. ARMSTRONG told Flynn that the  
8 liquidated damages clause was outrageous; that pursuant to the  
9 agreement ARMSTRONG would have to pay \$50,000.00 if he told a  
10 medical doctor or psychologist about his experiences from those  
11 years, or if he put on a job resume what positions he had held  
12 during his organization years. He told Flynn that the  
13 requirements of non-amenability to service of process and non-  
14 cooperation with persons or organizations adverse to Scientology  
15 were obstructive of justice. He told Flynn that agreeing to leave  
16 Scientology's appeal of the Breckenridge decision and not respond  
17 to any subsequent appeals was unfair to the courts and all the  
18 people who had been helped by the decision. ARMSTRONG told Flynn  
19 that an affidavit Scientology was demanding that he sign was  
20 false, that there had been no management change, that his private  
21 preclear folders were still being culled, and that he had the same  
22 disagreements with Scientology's Fair Game policies and actions,  
23 which had continued without change up to that date. ARMSTRONG  
24 told Flynn that he was being asked to betray everything and  
25 everyone he had fought for against organization injustice.

26 13. In answer to ARMSTRONG's objections to the  
27 settlement agreement Flynn said that the silence and liquidated  
28 damages clauses, and anything which called for obstruction of



1 justice were "not worth the paper they [were] printed on." Flynn  
2 stated that representation a number of times and in a number of  
3 ways; e.g., that ARMSTRONG could not contract away his  
4 Constitutional rights; that the conditions were unenforceable.  
5 Flynn stated that he had advised Scientology's lawyers that those  
6 conditions in the settlement agreement were not worth the paper  
7 they were printed on, but that Scientology, nevertheless, insisted  
8 on their inclusion and would not agree to any changes. Flynn  
9 pointed out to ARMSTRONG the clauses in the settlement agreement  
10 concerning his release of his claims against Scientology and  
11 Scientology's release of its claims against ARMSTRONG and stated  
12 that they were the essential elements of the settlement and what  
13 the organization was paying for.

14 14. Flynn stated to ARMSTRONG at that time that he was  
15 sick of the litigation and the threats to him and his family, and  
16 that he wanted to get out. Flynn stated that all the people  
17 involved in his side of the Scientology-related litigation were  
18 sick of it and wanted to get on with their lives. He said that as  
19 a condition of settlement he and his co-counsels in the  
20 Scientology-related litigation had agreed to not become involved  
21 in that litigation in the future. Flynn conveyed to ARMSTRONG a  
22 hopelessness concerning the inability of the courts of this  
23 country to deal with Scientology, its lawyers and their  
24 contemptuous abuse of the justice system. Flynn told ARMSTRONG  
25 that if he didn't sign the documents all he had to look forward to  
26 was more years of harassment and misery. When ARMSTRONG expressed  
27 his continuing objections to the settlement agreement, Edward  
28 Walters, whom Flynn had kept present in the room during this



1 discussion with ARMSTRONG, and who was another of Flynn's clients  
2 and a participant in the settling of Flynn's Scientology-related  
3 litigation, yelled at ARMSTRONG accusing him of killing the  
4 settlement for everyone, that everyone else had signed or would  
5 sign, and that everyone else wanted the settlement. Flynn told  
6 ARMSTRONG that Scientology would only settle with everyone  
7 together; otherwise there would be no settlement. Flynn did agree  
8 to ask Scientology to include a clause in ARMSTRONG's settlement  
9 agreement allowing him to keep his creative works relating to L.  
10 Ron Hubbard or the organization.

11 15. Flynn stated to ARMSTRONG that a major reason for  
12 the settlement's "global" form was to give Scientology the  
13 opportunity to change its combative attitude and behavior by  
14 removing the threat he and his clients represented to it. He said  
15 that Scientology wanted peace and unless ARMSTRONG signed  
16 Scientology's documents there would be no peace. Flynn stated  
17 that Scientology's attorneys had promised that the affidavit  
18 ARMSTRONG considered false would only be used by Scientology if  
19 ARMSTRONG began attacking it after the settlement. Since  
20 ARMSTRONG had no intention of attacking Scientology, he understood  
21 that the offensive affidavit would never see the light of day.

22 16. During ARMSTRONG's meeting with Flynn he found  
23 himself facing a dilemma. If he refused to sign the settlement  
24 agreement and affidavit all the other settling litigants, many of  
25 whom had already been flown to Los Angeles in anticipation of a  
26 settlement, would be disappointed and would continue to be  
27 subjected to organization harassment for an unknown period of  
28 time. ARMSTRONG had been positioned as a deal-breaker and led to



1 believe he would lose the support of some, if not all, of the  
2 settling claimants, several of whom were key witnesses in his case  
3 against Scientology. ARMSTRONG was led to believe that all the  
4 lawyers involved in his case desperately wanted out of  
5 Scientology-related litigation, and should he not sign the  
6 settlement documents would become unhappy and unwilling in their  
7 representation of him. ARMSTRONG reasoned that, on the other  
8 hand, if he did sign the settlement documents all his co-  
9 litigants, some of whom he knew to be in financial trouble, would  
10 be happy, the stress they felt would be reduced and they could get  
11 on with their lives. ARMSTRONG believed that Flynn and his other  
12 lawyers would be happy and the threat to them and their families  
13 removed. ARMSTRONG believed that Scientology would have the  
14 opportunity its lawyers said it desired to clean up its act, and  
15 start anew. Armed with Flynn's assurance that the conditions he  
16 found so offensive in the settlement agreement were not worth the  
17 paper they were printed on, and the knowledge that Scientology's  
18 attorneys were also aware of that fact, ARMSTRONG put on a happy  
19 face and on the following day went through the charade of a  
20 videotaped signing.

21 17. On December 11, 1986, pursuant to stipulation,  
22 Judge Breckenridge issued orders dismissing the Armstrong I Cross-  
23 Complaint, directing that the settlement agreement be filed and  
24 retained by the clerk under seal, releasing to Scientology all  
25 trial exhibits and other documents which had been held by the  
26 clerk of the Court, and sealing the entire Court file. Despite  
27 the Court's specific order Scientology never filed the Settlement  
28 Agreement.



1           18. On December 18, 1986 the California Court of  
2 Appeal, Second Appellate District, Division Three, issued an  
3 unpublished opinion dismissing Scientology's appeal from the  
4 Breckenridge decision on the ground that there would be no  
5 appealable final judgment until after trial of the Armstrong I  
6 Cross-Complaint.

7           19. Scientology filed a Petition for Rehearing of its  
8 appeal in the Court of Appeal, which was denied January 15, 1987;  
9 then a Petition for Review by the California Supreme Court which  
10 was denied March 11, 1987. On January 30, 1987 Scientology filed  
11 in the Los Angeles Superior Court an "Unopposed Motion to Withdraw  
12 Memorandum of Intended Decision," which Judge Breckenridge denied  
13 February 2, 1987. On February 9, 1987 Scientology filed a Notice  
14 of Appeal from the orders issued pursuant to stipulation by Judge  
15 Breckenridge on December 11, 1986.

16           20. Scientology did not desire peace from the December  
17 1986 settlement with ARMSTRONG but an advantage wherein they could  
18 continue to attack him without his being able to respond. They  
19 removed his lawyers from defending him, and used his lead lawyer,  
20 Flynn, as their agent to relay to ARMSTRONG threats of litigation  
21 and to keep him from responding to their attacks. Immediately  
22 following the settlement Scientology operatives contacted Beverly  
23 Rutherford, one of ARMSTRONG's friends from his pre-Scientology  
24 past, to try to get information from her concerning ARMSTRONG of a  
25 personal and embarrassing nature to be used against him. Also  
26 immediately following the settlement Scientology delivered a pack  
27 of documents concerning and attacking ARMSTRONG to reporters  
28 Robert Welkos and Joel Sappell of the Los Angeles Times.



1 Scientology has continued from the date of the settlement to  
2 collect intelligence information on ARMSTRONG, to consider him an  
3 enemy and to treat him as Fair Game. The settlement itself in  
4 intention, form, and effect was an act of Fair Game.

5 21. Although contacted a number of times by the media  
6 for statements concerning Scientology or Hubbard in the three  
7 years following the settlement, ARMSTRONG did not make any public  
8 statements during that period.

9 22. In the fall of 1987 ARMSTRONG received a document,  
10 which had been created and circulated by Scientology to discredit  
11 ARMSTRONG and writer Bent Corydon. In this document Scientology  
12 accused ARMSTRONG of "numerous false claims and lies," of  
13 "incompetence as a researcher," as having "stolen valuable  
14 documents from [Scientology] archives," and of being part of "a  
15 small cabal of thieves, perjurers and disreputable sources." Such  
16 statements were themselves lies, known to Scientology to be lies,  
17 malicious, and intended to destroy ARMSTRONG's reputation and  
18 credibility. In this document as well Scientology describes  
19 ARMSTRONG's experiences in the organization as Hubbard's archivist  
20 and biographical researcher, and discusses aspects of the  
21 Armstrong I litigation, all in violation of the letter and spirit  
22 of the settlement.

23 23. In early 1988 ARMSTRONG received a number of  
24 affidavits Scientology had filed in Scientology v. Miller in  
25 London, England, which accuse ARMSTRONG of, inter alia, retaining  
26 documents in violation of a Los Angeles Superior Court order,  
27 providing documents to Russell Miller in violation of a court  
28 order, and violating court sealing orders. The affidavits accuse



1 ARMSTRONG of being "an admitted agent provocateur of the U.S.  
2 Federal Government who planned to plant forged documents in  
3 [Scientology] files which would then be "found" by Federal  
4 officials in subsequent investigations as evidence of criminal  
5 activity," and of intending to "plant forged documents within the  
6 [Scientology] and then using the contents to get [Scientology]  
7 raided. All of Scientology's accusations regarding ARMSTRONG in  
8 the affidavits filed in Miller are false, known by Scientology to  
9 be false, malicious and intended to destroy ARMSTRONG's  
10 credibility. ARMSTRONG has proven repeatedly to Scientology that  
11 its accusations are false, but Scientology has not corrected the  
12 falsehoods wherever they have been uttered or written but has  
13 continued to spread its lies about ARMSTRONG.

14 24. Scientology's affidavits filed in Miller also  
15 contain descriptions of ARMSTRONG's experiences in the  
16 organization and conditions of the settlement agreement. At the  
17 same time Scientology demanded that ARMSTRONG not discuss his own  
18 experiences or conditions of settlement on penalty of \$50,000.00  
19 an utterance. Scientology itself filed documents in the case  
20 straight out of the sealed Armstrong I file. Such acts are  
21 intended to bring about ARMSTRONG's mental disintegration and  
22 total destruction, are conscious and premeditated acts by  
23 Scientology of Fair Game, and have caused ARMSTRONG great anguish.

24 25. Also in October 1987 ARMSTRONG was contacted by a  
25 reporter from the London Sunday Times who advised him that  
26 Scientology had given the newspaper a pack of documents concerning  
27 him. The reporter said that Scientology representatives were  
28 claiming that ARMSTRONG was an agent provocateur who tried to



1 plant forged documents in the organization and wanted to destroy  
2 the scientology religion. The reporter also said that Scientology  
3 representatives had given the newspaper a videotape of ARMSTRONG  
4 they claimed showed him conspiring to overthrow Scientology  
5 management. ARMSTRONG told the reporter that although he  
6 considered Scientology's attacks violated the settlement agreement  
7 he would not respond to them.

8           26. On December 21, 1988 ARMSTRONG received a call from  
9 Flynn who relayed a message from Michael Lee Hertzberg, one of the  
10 organization's leading lawyers stating that he wanted ARMSTRONG to  
11 file a pleading to keep the court file sealed in the face of  
12 efforts by the plaintiff in Corydon v. CSI, Los Angeles Superior  
13 Court case no. C 694401, who had filed a motion to unseal the  
14 Armstrong I court file. Flynn stated that Hertzberg had  
15 threatened that if ARMSTRONG failed to cooperate Hertzberg would  
16 release a private and personal document belonging to ARMSTRONG  
17 regarding one of his dreams specifically sealed by Judge  
18 Breckenridge in Armstrong I.

19           27. On December 27, 1988 ARMSTRONG spoke again by phone  
20 with Flynn, who advised ARMSTRONG that due to a court order  
21 unsealing the file in Armstrong I, he was going to file a pleading  
22 to say that the settlement documents should remain sealed.  
23 ARMSTRONG disagreed and advised Flynn he did not want such a paper  
24 filed, but on November 15, 1989 ARMSTRONG received notice that  
25 Flynn had filed such a paper against his wishes.

26           28. On October 11, 1989 ARMSTRONG was served with a  
27 deposition subpoena duces tecum which had been issued by Toby  
28 Plevin, an attorney representing Corydon in his litigation against



1 Scientology.

2           29. On October 23, 1989 ARMSTRONG received a call from  
3 Heller who stated that Scientology would seek a protective order  
4 to prevent Armstrong's deposition in Corydon from going forward,  
5 that Armstrong should be represented by a Scientology lawyer, that  
6 to maintain the settlement agreement ARMSTRONG could only answer  
7 questions by court order, that ARMSTRONG should refuse to answer  
8 the deposition questions and force Corydon to get an order from  
9 the court compelling ARMSTRONG to answer.

10           30. On October 25, 1989 Heller told ARMSTRONG that he  
11 had a problem with ARMSTRONG responding to deposition questions  
12 concerning such things as L. Ron Hubbard's misrepresentations or  
13 ARMSTRONG's period as Hubbard's archivist in the organization,  
14 that he wanted to have an attorney present to instruct ARMSTRONG  
15 not to answer such questions so that Corydon would have to move to  
16 compel an answer, and that if the court ordered sanctions for  
17 ARMSTRONG's refusal to answer, Scientology would indemnify him.  
18 Heller further stated that ARMSTRONG had a contractual obligation  
19 to Scientology and that if ARMSTRONG did answer deposition  
20 questions he would have breached the settlement agreement and may  
21 be sued.

22           31. Based on Heller's threats, the earlier threats and  
23 Scientology's post-settlement attacks described above, ARMSTRONG's  
24 understanding of his importance to and involvement with  
25 Scientology, and his knowledge of Scientology, its fraud and Fair  
26 Game, moved him at that time to protect himself by beginning to  
27 assemble documentation and prepare a declaration to oppose these  
28 Scientology abuses.



1           32. On November 1, 1989 Heller, on behalf of  
2 Scientology entity Author Services Inc., a defendant in Corydon,  
3 filed a motion "to Delay or Prevent the Taking of Certain Third  
4 Party Depositions," relating to the deposition of ARMSTRONG.  
5 Heller stated in the motion:

6           "One of the key ingredients to completing these  
7 settlement, insisted upon by all parties involved, was  
8 strict confidentiality respecting: (1) the Scientology  
9 parishioner or staff member's experiences within the  
10 Church of Scientology; (2) any knowledge possessed by  
11 the Scientology entities concerning those staff members  
12 or parishioners; and (3) the terms and conditions of the  
13 settlements themselves."

14           33. On November 18, 1989 ARMSTRONG received a copy of a  
15 videotape edited from videotapes of him made in 1984 by  
16 Scientology intelligence operatives and used thereafter against  
17 him. This copy had been given to the London Sunday Times, along  
18 with a package of documents concerning ARMSTRONG by Scientology  
19 operatives. Taped to the video cassette was the business card of  
20 Eugene M. Ingram, the Scientology's private detective who had set  
21 up the videotaping.

22           34. On November 20, 1989 Heller contacted ARMSTRONG and  
23 advised him that he wanted ARMSTRONG to execute Scientology a  
24 declaration that ARMSTRONG had either no or minimal contact with  
25 Corydon in the organization, and that subsequent to leaving he had  
26 received no information about Corydon. ARMSTRONG told Heller  
27 that he knew Corydon quite well and that he saw himself as a  
28 relevant witness, and would go forward with the deposition.



1 Heller said to do so would be a mistake because only Scientology  
2 would ever help him, that ARMSTRONG should assist Scientology  
3 because it had honored its agreement, that Scientology had signed  
4 a non-disclosure agreement as well and as far as he knew had lived  
5 up to its agreement. When ARMSTRONG disagreed, Heller reiterated  
6 at the end of the conversation that if ARMSTRONG started to  
7 testify, for example about the Hubbard biography project, or  
8 things he and Scientology considered irrelevant, he would be sued  
9 for breach of contract.

10 35. On November 30, 1989 ARMSTRONG attended a hearing  
11 in Corydon of Scientology's motion to prevent his deposition from  
12 going forward where he was served with a subpoena duces tecum  
13 ordering him to appear as a witness in the trial of Religious  
14 Technology Center v. Joseph A. Yanny, Los Angeles Superior Court  
15 Case no. C 690211.

16 36. On February 15, 1990 ARMSTRONG received a call  
17 from one of Michael Flynn's partners, attorney Michael A. Tabb, who  
18 said he had been called by Heller who told him that Scientology  
19 considered ARMSTRONG had violated the settlement agreement by  
20 being in the courthouse when he was served in Yanny, that they  
21 intended to prove it, and that he would be sued.

22 37. On January 18, 1990 ARMSTRONG received a copy of  
23 Appellants' Opening Brief which Scientology had filed December 21,  
24 1989 in appeal No. B025920 in Division Three of the Second  
25 Appellate District in the California Court of Appeal wherein  
26 Scientology sought a reversal of the 1984 Breckenridge decision.  
27 On January 30, 1990 ARMSTRONG received the Reply Brief of  
28 Appellants and Response to Cross-Appeal filed in Division Four in



1 the Second Appellate District in an appeal entitled Church of  
2 Scientology of California and Mary Sue Hubbard, Appellants,  
3 against Gerald Armstrong, Defendant; Bent Corydon, Appellee, No.  
4 B038975 in which Scientology sought a reversal of Judge  
5 Geernaert's ruling unsealing the Armstrong I court file.

6 38. Because the settlement agreement prohibited  
7 ARMSTRONG from opposing any of the appeals Scientology might take,  
8 he filed a Petition for Permission to Respond in the B025920  
9 Division Three appeal February 28, 1990, and in the B038975  
10 Division Four appeal March 1, 1990. When his petitions were  
11 granted, ARMSTRONG filed a Respondent's Briefs opposing  
12 Scientology appeals.

13 39. ARMSTRONG's March 15, 1990 declaration that he had  
14 filed in the Court of Appeal was used by Corydon as an exhibit  
15 supporting a motion for an order directing non-interference with  
16 witnesses. In its opposition thereto Scientology Heller  
17 contradicted what he earlier had said to ARMSTRONG about the  
18 agreement being reciprocal, now stating that Scientology was free  
19 to talk about Armstrong, but that Armstrong was not free to talk  
20 about it. Heller's lies to ARMSTRONG, his lies in sworn  
21 declarations about the reciprocity of the settlement agreement,  
22 the trap ARMSTRONG had been placed in by Scientology and his own  
23 attorney, who, because of Scientology Fair Game tactics, had  
24 deserted him, caused ARMSTRONG great distress and grief.

25 40. In his March 27 1990, declaration and in the  
26 opposition to plaintiff's motion for non-interference with  
27 witnesses in Corydon, Heller denied that the three telephone calls  
28 with ARMSTRONG occurred, denied offering to have Scientology pay



1 for an attorney at ARMSTRONG's deposition in Corydon, denied  
2 offering to indemnify ARMSTRONG for sanctions which might be  
3 imposed by the court, and denied threatening ARMSTRONG with  
4 litigation. These denials are lies.

5 41. In his March 26, 1990 declaration, Kenneth Long,  
6 Scientology staff member who had executed a number of the  
7 affidavits concerning ARMSTRONG which were filed in the Miller  
8 case, stated:

9 "In January, 1987, following settlement of Scientology  
10 (sic) of California ("CSC"), Armstrong turned over to  
11 CSC all [Scientology]-related documents in his  
12 possession. I personally inspected the documents turned  
13 over by Armstrong, and found a number of copies of the  
14 documents which Armstrong had previously sworn that he  
15 had surrendered to the Clerk of the Court. [ ] Based on  
16 my discovery of these documents, I concluded that  
17 Armstrong had intentionally perjured himself on numerous  
18 occasions, and had as well knowingly violated orders  
19 issued by judges at all levels ranging from the Los  
20 Angeles Superior Court to the Supreme Court of the  
21 United States."

22 Long's statement is false, reckless and malicious. Long stated as  
23 well that his affidavits attacking ARMSTRONG in Miller were  
24 necessary "to detail the elements of the breach of confidence  
25 against Miller and Penguin, and the claim could not have been  
26 brought without explaining the underlying actions taken by  
27 Armstrong."

28 42. On March 21, 1990 ARMSTRONG spoke by phone with



1 Michael Flynn, who said that he had been called by Lawrence Heller  
2 two or three weeks before. Flynn said that Heller told him that  
3 ARMSTRONG was right then sitting in the courtroom at the Yanny  
4 trial and he asked Flynn to call ARMSTRONG and tell him that if he  
5 testified in Yanny he would be in violation of the settlement  
6 agreement and would be sued. ARMSTRONG had been present at the  
7 Yanny trial March 5, 1990.

8 43. In early April, 1990 ARMSTRONG received a call from  
9 Scientology lawyer Eric Lieberman who threatened dire consequences  
10 if ARMSTRONG continued to speak out against Scientology in  
11 violation of the settlement agreement. ARMSTRONG related to  
12 Lieberman a list of Scientology's post-settlement attacks on  
13 ARMSTRONG in violation itself of the agreement. Lieberman  
14 dismissed ARMSTRONG's grievances as insignificant.

15 44. On July 8, 1988 the Internal Revenue Service issued  
16 a document entitled "final adverse ruling" to a Scientology  
17 corporate entity named Church of Spiritual Technology ("CST")  
18 denying its application for tax exempt status. In that ruling the  
19 IRS stated:

20 "In support of the protest (protest conference was held  
21 in January 1987) to our initial adverse ruling, we were  
22 supplied with copies of affidavits dated December 4,  
23 1986, from Gerald Armstrong and Laurel Sullivan. Ms.  
24 Sullivan was the person in charge of the MCCS project  
25 (Scientology's "Mission Corporate Category Sort-out,"  
26 the purpose of which was to devise a new organizational  
27 structure to conceal L. Ron Hubbard's continued  
28 control). The affidavits state that the new church



1 management 'seems to have returned to the basic and  
2 lawful policies and procedures as laid out by the  
3 founder of the religion, L. Ron Hubbard.' The  
4 affidavits conclude as follows: 'Because of the  
5 foregoing, I no longer have any conflict with the Church  
6 of Scientology or individual members affiliated with the  
7 Church. Accordingly I have executed a mutual release  
8 agreement with the Church of Scientology and sign this  
9 affidavit in order to signify that I have no quarrel  
10 with the Church of Scientology or any of its members.'"  
11 Scientology filed the ARMSTRONG affidavit in the COST case for the  
12 purpose of destroying his credibility and in violation of the  
13 representation Scientology had Flynn make to ARMSTRONG during  
14 settlement that such affidavit would never be used unless  
15 ARMSTRONG attacked Scientology after settlement. Scientology's  
16 filing of the affidavit, its use of the courts, and the campaign  
17 to destroy ARMSTRONG's reputation have caused ARMSTRONG great  
18 emotional distress.

19 45. In August 1991 while in South Africa ARMSTRONG was  
20 informed by Stuart Cutler, a lawyer for Malcolm Nothling,  
21 litigant against Scientology, that Scientology had provided  
22 ARMSTRONG's personal papers regarding the 1985 dream which had  
23 been sealed in Armstrong I, to Scientology's South African legal  
24 representatives for use against ARMSTRONG in the Nothling  
25 litigation in which ARMSTRONG was expected to testify. The  
26 dissemination of this document in South Africa caused ARMSTRONG  
27 great embarrassment and emotional distress.

28 46. On August 12, 1991 Scientology filed a lawsuit



1 against 17 agents of the IRS, case no. 91-4301-SVW in United  
2 States District Court, Central District of California for more  
3 than \$120,000,000.00. Scientology used therein a false rendition  
4 of the 1984 illegal videotaping of ARMSTRONG, which videotape had  
5 been sealed in the Armstrong I court file. Scientology stated in  
6 its complaint:

7 "The infiltration of the [Scientology] was planned by  
8 the LA CID along with former [Scientology] member Gerald  
9 Armstrong, who planned to seed [Scientology] files with  
10 forged documents which the IRS could then seize in a  
11 raid. The CID actually planned to assist Armstrong in  
12 taking over the [Scientology] hierarchy which would then  
13 turn over all [Scientology] documents to the IRS for  
14 their investigation."

15 Scientology knew that these accusations were false and knew that  
16 ARMSTRONG knew they were false.

17 47. Upon his return to the United States from South  
18 Africa, Armstrong visited the law office of Ford Greene who asked  
19 for his help. Armstrong, who is a trained paralegal, and lived in  
20 the same Marin County town as Greene, agreed to help him, and has  
21 been working with him from that time until the present. The moment  
22 he began working in Greene's office Scientology began to terrorize  
23 him with constant surveillance by Scientology intelligence  
24 operatives, videotaped him, embarrassed him, caused disturbances  
25 in the neighborhood of Greene's law firm, and caused him great  
26 fear. Scientology has a reputation of using its intelligence  
27 operatives or private investigators to assault its perceived  
28 enemies, frame them, entrap them, terrorize them, lie about them,



1 and steal from them. Judge Breckenridge in Armstrong I, had found  
2 that:

3 "Defendant Armstrong was the subject of harassment,  
4 including being followed and surveilled by individuals  
5 who admitted employment by [Scientology]; being  
6 assaulted by one of these individuals; being struck  
7 bodily by a car driven by one of these individuals;  
8 having two attempts made by said individuals apparently  
9 to involve Defendant Armstrong in a freeway automobile  
10 accident; having said individuals come onto Defendant  
11 Armstrong's property, spy in his windows, create  
12 disturbances, and upset his neighbors."

13 The August 1991 surveillance of ARMSTRONG by Scientology  
14 operatives was intended to and caused ARMSTRONG severe shock and  
15 emotional distress.

16 48. ARMSTRONG called and wrote to Scientology lawyer  
17 Eric Lieberman on August 21 and 22, 1991 protesting the  
18 surveillance, videotaping and Scientology terror tactics.  
19 Lieberman never responded, but Scientology responded with renewed  
20 attacks on ARMSTRONG, filing perjurious declarations about him in  
21 Aznaran v. Scientology, U.S. District Court, Central District of  
22 California, Case No. CV-88-1786-JMI(Ex) accusing him of, inter  
23 alia, being in Greene's office (during the period when he had been  
24 in South Africa), of being employed by Joseph Yanny while working  
25 for Greene, and of being Yanny's extension in the Aznaran case.  
26 Scientology used these lies in a series of attempts to have the  
27 Aznaran case dismissed, and in further attempts to destroy  
28 ARMSTRONG's credibility and his capacity to defend himself from



1 Scientology's attacks. Scientology also filed perjurious  
2 declarations in Aznaran concerning the illegal 1984 Armstrong  
3 operation, claiming, inter alia, that the operation was a police-  
4 sanctioned investigation, that ARMSTRONG was plotting against  
5 Scientology and seeking out staff members who would be willing to  
6 assist him in overthrowing its leadership, and that ARMSTRONG's  
7 theory of litigation against Scientology was to fabricate the  
8 facts. These lies were used in a series of attempts to deny the  
9 Aznarans justice and to attack ARMSTRONG's credibility and leave  
10 him defenseless before Scientology's assault. Scientology  
11 moreover used in these attempts transcripts of the illegal 1984  
12 videotaping of ARMSTRONG which had been sealed in the Armstrong I  
13 court file. Scientology knew its lies filed in the Aznaran case  
14 regarding ARMSTRONG were lies, knew it was using sealed documents  
15 to attack ARMSTRONG, knew that such caused ARMSTRONG great  
16 emotional distress, and knew that its acts in Armstrong I had  
17 caused him emotional distress for which it had paid ARMSTRONG a  
18 significant sum of money. Scientology's statements filed in  
19 Aznaran regarding ARMSTRONG were malicious and an abuse process.  
20 ARMSTRONG filed a declaration in Aznaran dated September 3, 1991  
21 detailing the lies Scientology had up to that time filed about him  
22 in that case and stating the truth of the matters. On June 23,  
23 1992, Judge Ideman, presiding in the Aznaran case denied all  
24 Scientology's motions in which it had filed its attacks on  
25 ARMSTRONG.

26 49. On October 3, 1991 Scientology, using CSC, CSI and  
27 RTC as Plaintiffs, filed a motion in Los Angeles Superior Court in  
28 the Armstrong I case to enforce the settlement agreement in which



1 it charged that ARMSTRONG's declaration in Aznaran which rebutted  
2 Scientology's lies filed about him in that case was a violation of  
3 the settlement agreement. That motion, in which Scientology  
4 sought from ARMSTRONG \$100,000.00 in damages for his responses to  
5 Scientology attacks, was denied on December 23, 1991 by Judge  
6 Geernaert, who stated during the hearing of that date:

7 " So my belief is Judge Breckenridge, being a very  
8 careful judge, follows about the same practice and if he  
9 had been presented that whole agreement and if he had  
10 been asked to order its performance, he would have dug  
11 his feet in because that is one of the [ ] most  
12 ambiguous, one-sided agreements I have ever read. And I  
13 would not have ordered the enforcement of hardly any of  
14 the terms had I been asked to, even on the threat that,  
15 okay the case is not settled.  
16 I know we like to settle cases. But we don't want to  
17 settle cases and, in effect, prostrate the court system  
18 into making an order which is not fair or in the public  
19 interest."

20 50. Heedless of Judge Geernaert's comments Scientology  
21 on February 4, 1992 filed the underlying lawsuit, hereinafter  
22 Armstrong II, this time seeking \$1,700,000.00 in damages. On  
23 March 26, 1992 Scientology sought to have ARMSTRONG held in  
24 contempt of court for communicating to the media about the  
25 litigation after Scientology had itself given an interview to the  
26 media and in response to Scientology's public comments about him.  
27 Judge Dufficy of the Marin Superior Court, then presiding over the  
28 Armstrong II litigation, refused to hear Scientology's effort to



1 have ARMSTRONG found in contempt. The effort, however,  
2 demonstrates Scientology's intention: create a scenario in which  
3 ARMSTRONG responds to Scientology attacks and then have him jailed  
4 for his response. Then, pursuant to Scientology policy,  
5 neutralize him.

6 51. On February 19, 1992 Ford Greene, ARMSTRONG's  
7 attorney in Armstrong II, wrote Scientology attorney Laurie  
8 Bartilson requesting that ARMSTRONG's former attorneys in  
9 Armstrong I, Michael Flynn, Julia Dragojevic and Bruce Bunch, each  
10 of whom were specifically prohibited by contract with Scientology  
11 from giving ARMSTRONG a declaration to assist him in his defense  
12 of Scientology's lawsuit to enforce the settlement agreement, be  
13 released from that prohibition so they could provide him with  
14 needed declarations. Scientology refused. On February 24, 1992  
15 Greene wrote Bartilson requesting that the other individuals who  
16 had entered into settlement agreements with Scientology,  
17 negotiated by Scientology with Flynn in 1986, and who were  
18 specifically prohibited from providing ARMSTRONG with a  
19 declaration to assist him in his defense of Scientology's lawsuit  
20 to enforce the settlement agreement, be released from that  
21 prohibition so they could provide him with needed declarations.  
22 Even though Scientology had used the fact of the other  
23 individuals' settlement agreements being substantially similar to  
24 the ARMSTRONG agreement, and cited to and relied on cases  
25 involving those individuals' settlements in its lawsuit against  
26 ARMSTRONG, Scientology refused to release them from their contract  
27 not to assist ARMSTRONG.

28 52. On May 27, 1992 at a hearing on a motion



1 Scientology brought to obtain a preliminary injunction in this  
2 case, Los Angeles Superior Court Judge Sohigian stated:

3 "The information that's being suppressed in this case,  
4 however, is information about extremely blameworthy  
5 behavior of the [Scientology] which nobody owns; it is  
6 information having to do with the behavior of a high  
7 degree of offensiveness and behavior which is tortious  
8 in the extreme. It involved abusing people who are weak.  
9 It involves taking advantage of people who for one  
10 reason or another get themselves enmeshed in this  
11 extremist view in a way that makes them unable to resist  
12 it apparently. There appears to be in the history of  
13 [Scientology's] behavior a very, very substantial  
14 deviation between [Scientology's] conduct and standards  
15 of ordinary, courteous conduct and standards of ordinary  
16 honest behavior. They're just way off in a different  
17 firmament. [Scientology's] is the kind of behavior which  
18 makes you sort of be sure you cut the deck and be sure  
19 you've counted all the cards. If you're having a  
20 friendly poker game you'd make sure to count all the  
21 chips before you dealt any cards."

22 Despite these statements concerning Scientology and its practices,  
23 and despite Scientology's knowledge of similar rulings and  
24 judgments in Armstrong I, the case of Wollersheim v. Scientology,  
25 the case of Allard v. Scientology, the case in England Re B & G  
26 Wards, the cases of US v. Hubbard and US v. Kember, and of  
27 articles in the Los Angeles Times in 1990 and Time magazine in  
28 1991, Scientology continues to attack ARMSTRONG and its other



1 perceived enemies pursuant to its basic doctrine of Fair Game.  
2 Scientology's refusal to change its posture toward ARMSTRONG in  
3 the face of evidence of its nature causes ARMSTRONG severe  
4 emotional distress. Judge Sohigian denied Scientology's motion to  
5 enforce the settlement agreement in every aspect except for his  
6 right to provide testimony in anti-Scientology litigation without  
7 being first subpoenaed to provide such testimony. The Sohigian  
8 ruling left ARMSTRONG free to speak and write about Scientology,  
9 to provide information to government agencies without the need for  
10 a subpoena and to continue to work as a paralegal.

11 53. ARMSTRONG has learned that MISCAVIGE possessed  
12 ARMSTRONG's original artwork and manuscript after they were stolen  
13 from ARMSTRONG's car in 1984. MISCAVIGE told Vicki Aznaran that  
14 he had ARMSTRONG's artwork and manuscript, and he described  
15 ARMSTRONG's works as weird poetry and letters to Hubbard.  
16 Scientology lawyer John Peterson in 1984, in response to  
17 ARMSTRONG's demand at that time for return of his works denied  
18 that Scientology possessed them. Now ARMSTRONG has the proof and  
19 he demands these works' return.

20 54. On July 8, 1993, Scientology filed another lawsuit  
21 against ARMSTRONG styled Church of Scientology International v.  
22 Armstrong, Los Angeles Superior Court, Case No. BC 084 642  
23 (hereinafter "Armstrong III") in retaliation for ARMSTRONG's  
24 continuing to publicly speak out in the news media on the subject  
25 of Scientology and its practices and for filing a declaration on  
26 behalf of a defendant, Lawrence Wollersheim, whom Scientology had  
27 sued.

28 55. On July 23, 1993, Scientology filed the instant



1 lawsuit against ARMSTRONG (hereinafter Armstrong IV"). Said  
2 lawsuit is without merit and is yet another part of the on-going  
3 Fair Game activity that Scientology has historically directed  
4 against ARMSTRONG which uses the legal system as an engine to  
5 harass and to attempt to destroy and ruin ARMSTRONG.

6           56. Scientology has, for over a decade, waged a  
7 campaign of hatred and psychological violence against ARMSTRONG.  
8 This campaign has been observed and condemned by courts and the  
9 media. In 1986 as an act of calculating Fair Game it used  
10 ARMSTRONG's lawyer, himself a long time target of Fair Game, to  
11 manipulate him into a settlement of his claims against Scientology  
12 which was intended to leave him lawyer-less and defenseless so  
13 that Scientology's Fair Game efforts against him could continue  
14 unopposed. In consummate cynicism Scientology claims its purpose  
15 in the settlement was to make peace. Scientology's acts against  
16 ARMSTRONG have affected every aspect of his life, taken from him  
17 the peace and seclusion he sought and threatened his health,  
18 livelihood, friendships and his very existence. These acts must  
19 stop.

#### 20                           FIRST CAUSE OF ACTION

##### 21                   (For Abuse Of Process Against All Defendants)

22           57. Cross-complainant ARMSTRONG realleges paragraphs 1  
23 through 56, inclusive, and incorporates them by reference herein  
24 as though fully set forth.

25           58. Defendants, and each of them, have abused the process of  
26 this court in a wrongful manner, not proper in the regular conduct  
27 of the proceedings in Armstrong I, Armstrong II, Armstrong III,  
28 Armstrong IV and in other litigation, to accomplish a purpose for



1 which said proceedings were not designed, specifically, the  
2 suppression of evidence, the obstruction of justice, the  
3 assassination of cross-complainant's reputation, and retaliation  
4 against said cross-complainant for prevailing at trial in  
5 Armstrong I, and for continuing to publicly speak out on the  
6 subject of Scientology, all so as to be able to attack cross-  
7 complainant and prevent cross-complainant from being able to take  
8 any effective action to protect himself.

9       59. Defendants, and each of them, acted with an ulterior  
10 motive to suppress evidence, obstruct justice, assassinate cross-  
11 complainant's reputation, suppress ARMSTRONG's First Amendment  
12 rights, and to retaliate against cross-complainant in said  
13 litigations.

14       60. That defendants, and each of them, have committed  
15 willful acts of intimidation, threats, and submission of false and  
16 confidential documents not authorized by the process of  
17 litigation, and not proper in the regular conduct of litigation.

18       61. Cross-complainant has suffered damage, loss and harm,  
19 including but not limited to his reputation, his emotional  
20 tranquillity, and privacy.

21       62. That said damage, loss and harm was the proximate and  
22 legal result of the use of such legal process.

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///



1 WHEREFORE, cross-complainant seeks relief as is hereinafter  
2 pleaded.

3 ON THE FIRST CAUSE OF ACTION

- 4 1. For general and compensatory damages according to proof.  
5 2. For punitive and exemplary damages according to proof.  
6 3. For attorney's fees and costs of suit.  
7 4. For such other and further relief as the Court may deem  
8 just and proper.

9 DATED: November 30, 1993

HUB LAW OFFICES

By: 

FORD GREENE

Attorney for Defendant



VERIFICATION

I, the undersigned, am the cross-complainant in the above entitled action. I know the contents of the foregoing Amended Cross-Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on the November 30, 1993 at San Anselmo, California.

By: 

GERALD ARMSTRONG



PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: VERIFIED AMENDED CROSS-COMPLAINT FOR ABUSE OF PROCESS on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire  
WILSON, RYAN & CAMPILONGO  
235 Montgomery Street, Suite 450  
San Francisco, California 94104

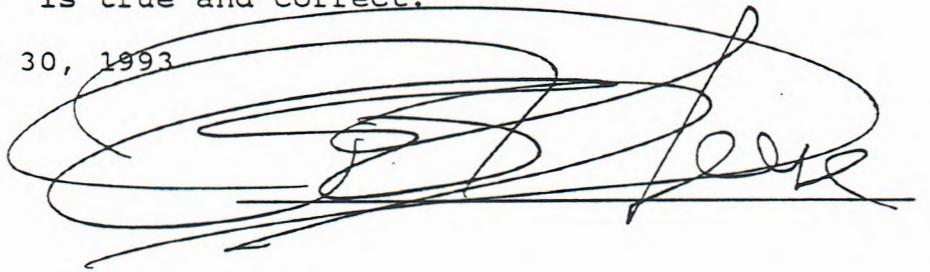
LAURIE J. BARTILSON, ESQ.  
Bowles & Moxon  
6255 Sunset Boulevard  
Suite 2000  
Los Angeles, California 90028

MICHAEL WALTON  
P.O. Box 751  
San Anselmo, California 94960

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: November 30, 1993









F 954-0938

A. WILSON #291-3700  
BARTILSON

213 953-3351

GREENE F 456-5318

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA  
CIVIL CALENDAR AND MINUTES

## RULINGS

DATE: FRIDAY, MARCH 25, 1994 TIME: 9:00 REPORTER: E. PASSARIS  
 OPPOSITION DUE: 3/18/94 JUDGE: GARY W. THOMAS CLERK: J. BANKSON  
 REPLY DUE: 3/23/94 DEPT. NO. 1 COMPLETED: \_\_\_\_\_

CASE NO.	TITLE OF ACTION	PROCEEDING	ATTORNEY
<u>12) 157680</u>	CHURCH OF SCIENTOLOGY INTERNATIONAL V GERALD ARMSTRONG, ET AL		

PLAINTIFF'S FAILURE TO TAB ITS EXHIBITS ON THE COURT'S COPY AS REQUIRED BY LOCAL RULE 2.03B INCREASED THE COURT'S BURDEN IN ANALYZING THE DEMURRER. PLAINTIFF'S SHALL PAY SANCTIONS IN THE AMOUNT OF \$49 TO THE CLERK OF THE COURT WITHIN 10 DAYS FOR ITS FAILURE TO COMPLY WITH LOCAL RULES. (CAL. RULES OF COURT, RULE 227.)

THE DEMURRER TO THE FIRST AMENDED CROSS-COMPLAINT IS SUSTAINED. AS TO THE FIRST CAUSE OF ACTION FOR DECLARATORY RELIEF, CROSS-COMPLAINANT SEEKS A DECLARATION OF ISSUES WHICH WILL BE DETERMINED IN THE LOS ANGELES SUPERIOR COURT ACTIONS (ENFORCEABILITY OF SETTLEMENT CONTRACT) OR IN THE UNDERLYING COMPLAINT (ABILITY OF PLAINTIFF TO RECOVER UNDER THE UNIFORM FRAUDULENT TRANSFER ACT). (SEE CALIFORNIA INS. GUARANTEE ASSN. V. SUPERIOR COURT (1991) 231 CAL.APP.3D 1617, 1623-1624.) AS TO THE SECOND CAUSE OF ACTION FOR ABUSE OF PROCESS, CROSS-COMPLAINANT FAILS TO ALLEGE ANY "WILFUL ACT IN THE USE OF THE PROCESS NOT PROPER IN THE REGULAR CONDUCT OF THE PROCEEDING." (SEE OREN ROYAL OAKS VENTURE V. GREENBERG, BERNHARD, WEISS & KARMA, INC. (1986) 42 CAL.3D 1157, 1168.) ALL OF THE ALLEGATIONS REGARDING PLAINTIFF'S PURSUIT OF THIS LITIGATION GO TO THE FIRST ELEMENT OF THE CAUSE OF ACTION, "ULTERIOR PURPOSE." (ID.) CROSS-COMPLAINANT SHALL HAVE 20 DAYS' LEAVE TO AMEND TO STATE A CAUSE OF ACTION, IF HE CAN.

106A







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California State Bar No. 107601  
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711 Sir Francis Drake Boulevard  
3 San Anselmo, California 94960-1949  
Telephone: (415) 258-0360  
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5 Attorney for Defendant  
GERALD ARMSTRONG  
6  
7  
8

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 IN AND FOR THE COUNTY OF MARIN

11 CHURCH OF SCIENTOLOGY )  
12 INTERNATIONAL, a California )  
13 not-for-profit religious )  
corporation; )

No. 157 680

14 Plaintiffs, )

15 vs. )

SECOND AMENDED  
VERIFIED CROSS-COMPLAINT  
FOR ABUSE OF PROCESS

16 GERALD ARMSTRONG; MICHAEL )  
17 WALTON; et al, )

18 Defendants. )

19 \_\_\_\_\_ )  
20 GERALD ARMSTRONG, )

21 Cross-Complainant, )

22 -vs- )

23 CHURCH OF SCIENTOLOGY )  
24 INTERNATIONAL, a California )  
Corporation; DAVID MISCAVIGE; )  
25 DOES 1 to 100; )

26 Cross-Defendant. )  
27 \_\_\_\_\_ )

Date: April 15, 1994  
Time:  
Dept: One  
Trail Date: 9/29/94

28 Cross-Complainant GERALD ARMSTRONG alleges as follows:



PARTIES

1. Cross-Complainant GERALD ARMSTRONG, hereinafter, "ARMSTRONG," is a resident of Marin County, California.

2. Cross-Defendant CHURCH OF SCIENTOLOGY INTERNATIONAL, hereinafter "CSI" or is a corporation organized and existing under the laws of the State of California, having principal offices and places of business in California and doing business within the State of California within the territorial jurisdiction of this Court.

3. Cross-Defendant DAVID MISCAVIGE, hereinafter "MISCAVIGE," is an individual domiciled in the State of California.

4. At all times herein mentioned, each Cross-Defendant was the agent, employee or coconspirator of each of the remaining Cross-Defendants, and in doing the things herein mentioned, each Cross-Defendant was acting within the course and scope of its employment and authority as such agent and/or representative and/or employee and/or coconspirator, and with the consent of the remaining Cross-Defendants.

5. CSI is subject to a unity of control, and the its corporate structure was created as an attempt to avoid payment of taxes and civil judgments and to confuse courts and those seeking redress for these Cross-Defendants' acts. Due to the unity of personnel, commingling of assets, and commonality of business objectives, these Cross-Defendants' attempts at separation of these corporations should be disregarded.

6. The designation of CSI as a "church" or religious entity is a sham contrived to exploit the protection of the First



1 Amendment of the United States Constitution and to justify their  
2 criminal, and tortious acts against ARMSTRONG and others. Cross-  
3 Defendant corporation is part of an international, money-making,  
4 criminally motivated enterprise which subjugates and exploits its  
5 employees and customers with coercive psychological techniques,  
6 threat of violence and blackmail. CSI and other Scientology  
7 corporate entities act as one organization.

8           7. David Miscavige controls and operates Scientology  
9 and uses it to enforce his orders and carry out his attacks on  
10 groups, agencies or individuals, including the acts against  
11 ARMSTRONG alleged herein to the extent there is no separate  
12 identity between Miscavige and CSI and any claim of such separate  
13 identity should be disregarded.

14           8. Cross-Defendants DOES 1 through 100, inclusive, are  
15 sued herein under such fictitious names for the reason that the  
16 true names and capacities of said Cross-Defendants are unknown to  
17 ARMSTRONG at this time; that when the true names and capacities of  
18 said Cross-Defendants are ascertained ARMSTRONG will ask leave of  
19 Court to amend this Cross-Complaint to insert the true names and  
20 capacities of said fictitiously named Cross-Defendants, together  
21 with any additional allegations that may be necessary in regard  
22 thereto; that each of said fictitiously named Cross-Defendants  
23 claim that ARMSTRONG has a legal obligation to Cross-Defendants by  
24 virtue of the facts set forth below; that each of said  
25 fictitiously named Cross-Defendants is in some manner legally  
26 responsible for the acts and occurrences hereinafter alleged.

27           9. Armstrong was a Scientologist from 1969 until mid-  
28 December, 1981. He was drawn into Scientology by representations



1 made by the organization and its founder L. Ron Hubbard  
2 ("Hubbard") about his history, achievements, credentials,  
3 character and intentions, and the history, credentials, character  
4 and intentions of his organization.

5 10. Throughout his years in Scientology, Armstrong remained  
6 dedicated to the accomplishment of its claimed and widely  
7 publicized "aims":

8 "A civilization without insanity, without  
9 criminals and without war, where the able can  
10 prosper and honest beings can have rights, and  
11 where man is free to rise to greater heights".

12 11. From 1971 Armstrong was a member of the Sea  
13 Organization, Scientology's highest administrative echelon which  
14 controlled all lower organizations internationally without regard  
15 for corporate formality. Sea Organization members have an  
16 unconditional reverence for the words of Hubbard, whether true or  
17 false, and may not, on penalty of severe punishment, question the  
18 truth or falsity of his words.

19 12. Armstrong held several Sea Organization staff positions  
20 including legal officer, public relations officer and intelligence  
21 officer. He worked personally for Hubbard as a communications  
22 aide and in his household staff. Armstrong gained a knowledge of  
23 organization structure, control, policies and orders. He gained a  
24 knowledge of organization policies and practices regarding  
25 "ethics," its system of discipline and punishment, including its  
26 ultimate sanction, "fair game," whereby a person who was labelled  
27 a "suppressive person" or "enemy":

28 "May be deprived of property or injured by any



means by any Scientologist without discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

13. At the beginning of 1980 leaders at Sea Organization headquarters at Gilman Hotsprings, California, in anticipation of a raid by law enforcement agencies, ordered a massive shredding of evidence showing Hubbard's control of the organization. In the course of the shredding operation Armstrong discovered several boxes containing Hubbard's personal documentary records. Armstrong petitioned Hubbard to assemble these documents and to search for more personal records to form an archive to be used to create a Hubbard biography. Hubbard approved the petition.

14. During his assembly and study of Hubbard's records Armstrong discovered that an alarming number of the organization's and Hubbard's representations about Hubbard's history, achievements, credentials, character and intentions were without basis in fact and, indeed, false ("the misrepresentations"). Armstrong brought these discoveries to the attention of organization executives responsible for publications in the hope of bringing the misrepresentations that Scientology systematically disseminated to Scientologists and the world at large into conformity with the truth.

15. The response of the organization's leaders to Armstrong's attempt to correct the misrepresentations being disseminated was to label him a security risk and order him to a "security check," an accusatory interrogation using Scientology's electro-psychometer (E-meter) as a lie detector. Armstrong concluded that Hubbard and his organization's leaders did not



1 sincerely seek to accomplish Scientology's stated "aims" but  
2 sought unimpeded domination and the acquisition of wealth at the  
3 expense of honesty and freedom, to the detriment of their  
4 followers, and to the peril of their perceived opponents.  
5 Armstrong came to the realization that Hubbard and his  
6 organization were dishonest and violent, causing him to terminate  
7 his affiliation with them.

8 16. Shortly after Armstrong left the organization it  
9 published two "Suppressive Person Declares," naming him a  
10 "suppressive person," accusing him of falsely of "crimes" and  
11 "high crimes," and thus making him "fair game."

12 17. To protect himself following the publication of the  
13 "suppressive persons declares," Armstrong obtained copies of  
14 documents showing that Hubbard's and the organization's  
15 representations concerning their history, achievements,  
16 credentials, character and intentions were false.

17 18. On August 2, 1982 the Scientology organization sued  
18 Armstrong for conversion of the subject documents in a case  
19 captioned Church of Scientology of California and Mary Sue Hubbard  
20 v. Gerald Armstrong, Los Angeles Superior Court case No. C 420153  
21 ("Armstrong I"). Armstrong retained Boston, Massachusetts  
22 attorney Michael Flynn ("Flynn") and the Woodland Hills,  
23 California law firm of Contos & Bunch, to represent Armstrong  
24 against the organization.

25 19. Armstrong filed a cross-complaint for fraud, breach of  
26 contract and intentional infliction of emotional distress. The  
27 cross-complaint was bifurcated from the underlying document case  
28 which was tried by Judge Paul G. Breckenridge, Jr. in the spring



1 of 1984.

2 20. Following a 30-day trial, on June, 20, 1984 Judge  
3 Breckenridge rendered a decision in favor of Armstrong which held  
4 that Hubbard and his organization were antisocial in nature and  
5 condemned its practices. He wrote:

6 "In addition to violating and abusing its own  
7 members civil rights, the organization over  
8 the years with its "Fair Game" doctrine has  
9 harassed and abused those persons not in the  
10 [organization] whom it perceives as enemies.  
11 The organization clearly is schizophrenic and  
12 paranoid, and this bizarre combination seems  
13 to be a reflection of its founder LRH. The  
14 evidence portrays a man who has been virtually  
15 a pathological liar when it comes to his  
16 history, background and achievements. The  
17 writings and documents in evidence  
18 additionally reflect his egoism, greed,  
19 avarice, lust for power, and vindictiveness  
20 and aggressiveness against persons perceived  
21 by him to be disloyal or hostile."

22 21. From 1979 Flynn was responsible for much litigation  
23 vindicating the rights of individuals injured by Scientology.

24 In a set of cases in Federal Court in Boston, Massachusetts  
25 Flynn represented Lucy Garritano, Steven Garritano, Peter Graves,  
26 Kim Vashel Hankins, Majorie Hansen, Janet Troy Labanara and  
27 Michael Smith.

28 In a set of cases in Federal Court in Tampa, Florida, Flynn



1 represented former mayor of Clearwater, Gabriel Cazares, Nan and  
2 John McLean, Tonja Burden and Margery Wakefield.

3 In cases pending in Los Angeles, California Flynn  
4 represented, among others, former organization executives Laurel  
5 Sullivan ("Sullivan"), William Franks ("Franks"), Howard Schomer  
6 ("Schomer"), Edward Walters ("Walters") and Martin Samuels  
7 ("Samuels"), all organization contemporaries of Armstrong.

8 22. From the time Flynn began representing individuals and  
9 entities in litigations with Scientology the organization labelled  
10 him an "enemy" and subjected him to a campaign of "fair game."  
11 Acts against Flynn pursuant to the "fair game doctrine" included  
12 more than a dozen lawsuits, frivolous bar complaints, theft of  
13 records, infiltration of his office, illegal electronic  
14 surveillance, defamation, framing with crimes, and attempted  
15 assassination. Flynn also brought a lawsuit against Scientology,  
16 captioned Michael J. Flynn v. Scientology, United States District  
17 Court, Central District of California, Case No. CV 850485-R,  
18 seeking damages for the years of fair game acts.

19 23. Flynn would ultimately settle all of the cases in each  
20 of the foregoing three blocks when given a large sum of money by  
21 Scientology to make such cases "go away."

22 24. In the first half of 1986 plaintiff's attorney Charles  
23 O'Reilly tried the case of Larry Wollersheim v. Church of  
24 Scientology of California, Los Angeles Superior Court Case No. C  
25 332827. After a 95-day trial, the jury awarded a verdict in  
26 Wollersheim's behalf in the amount of \$30,000,000.00.

27 25. At this time, Armstrong's cross-complaint, seeking  
28 damages for Scientology's "fair game" conduct was set for trial at



1 the beginning of 1987. This conduct included assault, harassment,  
2 attempted framing of Armstrong in an alleged plot to "take over"  
3 Scientology, filing false criminal charges with the Los Angeles  
4 District Attorney, filing false criminal charges with the Boston  
5 office of the FBI, filing false declarations, bringing contempt of  
6 court proceedings on three occasions based on false charges,  
7 making false accusations in internationally published media of  
8 crimes including crimes against humanity, and culling and  
9 disseminating information from Armstrong's supposedly confidential  
10 auditing (psychotherapy) files.

11 26. I am informed and believe and allege thereon that during  
12 1986 organization leaders contacted Flynn, offered to discontinue  
13 its fair game operations against him and offered him a lump sum of  
14 money of several million dollars to settle all the Scientology  
15 cases in which he had a role, including his own case, if he would  
16 get all the litigants, which included Armstrong, Schomer and  
17 Samuels, or claimants, which included Sullivan, Franks and  
18 Walters, to sign organization-prepared settlement contracts. In  
19 promising the payment of a lump sum to Flynn without specifying  
20 what amount was to be applied in settlement of what claims  
21 Scientology made Flynn its agent in opposition to the interests of  
22 his clients.

23 27. Flynn had multiple conflicts of interest with his  
24 Scientology litigation clients which he failed to disclose, and  
25 otherwise failed to insure that said clients received proper  
26 unconflicted representation. I am informed and believe and allege  
27 thereon that he dealt with them separately and threatened that if  
28 such persons refused to settle, he would abandon such persons as



1 their lawyer in addition to causing the unavailability of certain  
2 critical witnesses. He represented, moreover, that the settlement  
3 agreements were legally unenforceable.

4 28. The cases in which Flynn had a role settled in three  
5 main blocks. The first block to settle was the Boston cases, the  
6 second block was the Florida cases, and third was the Los Angeles  
7 cases which settled in December, 1986 in Los Angeles and included  
8 among approximately 15 plaintiffs or claimants Armstrong,  
9 Sullivan, Franks, Schomer, Walters and Samuels.

10 29. Sullivan had been a long-time Sea Organization member,  
11 Hubbard's personal public relations officer for many years, and  
12 had played a key part in the corporate restructuring of the  
13 organization in order to insulate top management from civil and  
14 criminal liability. She testified in the Armstrong I trial, the  
15 Wollersheim trial, and the 1985 trial of Julie Christofferson v.  
16 Scientology, Circuit Court of the State of Oregon, Multnomah  
17 County, No. A7704-05184, in which the jury had awarded a verdict  
18 in Christofferson's behalf in the amount of \$39,000,000.00.

19 30. Franks had been a long-time Sea Organization member, the  
20 organization's Executive Director International, and had knowledge  
21 of organization covert intelligence operations and finances. He  
22 had testified in the Christofferson and Wollersheim trials.

23 31. Schomer had been a long-time Sea Organization member, in  
24 charge of Hubbard's finances and responsible for transferring  
25 Scientology charitable corporation funds to Hubbard's personal  
26 accounts. He had testified in the Armstrong I and Christofferson  
27 trials.

28 32. Walters had been a long-time Scientology auditor



1 (therapist) and a covert operative for the organization's Guardian  
2 Office, the name used until 1982 for its intelligence, legal and  
3 public relations bureaus when it became the Office of Special  
4 Affairs. Walters had testified in the Armstrong I, Christofferson  
5 and Wollersheim trials.

6 33. Samuels had been a long-time Scientology franchise  
7 holder and had knowledge of the organization's practice of  
8 training its litigation witnesses to lie. He testified in the  
9 Christofferson trial.

10 34. Armstrong had testified in the Armstrong I and  
11 Christofferson trials and in a Scientology-related custody case in  
12 London, England, and in another approximately twenty-five days in  
13 depositions in some twelve lawsuits.

14 35. I am informed and believe that each settlement contract  
15 contained provisions which called for complete silence regarding  
16 Scientology-related experiences, non-assistance to adverse  
17 parties, non-disclosure of settlement conditions, prohibition of  
18 sworn testimony and avoidance of service of process. Armstrong's  
19 settlement contract also contained provisions allowing the  
20 organization to appeal from the scathing language of the  
21 Breckenridge decision in Armstrong I and preventing Armstrong from  
22 opposing any appeals the organization might take. With respect to  
23 Scientology's appeal of the Breckenridge decision, Scientology and  
24 Flynn entered into two side agreements, undisclosed to Armstrong,  
25 which (1) limited any damages awarded on retrial to \$25,000, and  
26 (2) guaranteed that Armstrong Scientology would indemnify  
27 Armstrong's obligation to pay such judgement, should Scientology  
28 obtain reversal of the appeal and prevail upon retrial of the



1 case. The settlement contract also required Armstrong to collude  
2 with Scientology with respect to obtaining certain documents that  
3 constituted evidence of a conspiracy among Scientology executives  
4 and their attorneys to cover up criminal activity and to commit  
5 frauds on the Internal Revenue Service and other governmental  
6 agencies litigated and reported in United States v. Zolin, Case  
7 No. CV 85-0440-HLH(Tx).

8 36. Armstrong contends that the foregoing provisions are  
9 designed and intended to suppress evidence and therefore  
10 constitute an obstruction of justice thereby rendering the  
11 settlement contract unenforceable and void as against public  
12 policy.

13 37. Flynn and the other attorneys representing Armstrong and  
14 other anti-organization litigants also signed contracts with  
15 Scientology which prohibited their representation of anyone  
16 including their former anti-organization clients in litigation  
17 against the organization.

18 38. Effects of the provisions of such settlement contracts  
19 were the stripping of the Flynn-represented parties of their First  
20 Amendment rights of Free Speech and the stripping of the public of  
21 the right to hear from first-hand sources the truth about  
22 Scientology so that there could be free competition in the  
23 marketplace of ideas.

24 39. An additional effect of said provisions binding,  
25 censoring, suppressing and restraining the Flynn-represented  
26 parties' rights to Free Speech was to create an opportunity for  
27 Scientology to disseminate manufactured falsehoods in the  
28 marketplace of ideas, to obtain an unfair advantage with respect



1 to adversaries in various pending and future litigation, and to  
2 control the availability of evidence harmful to it in future  
3 litigation.

4 40. The purpose of each of the aforementioned settlement  
5 contracts was to effectuate certain objectives, including but not  
6 limited to, the following:

7 a. Maximizing Scientology's ongoing assertion and claim  
8 that it is a bona fide religion;

9 b. Maximizing its opportunities to cover up its criminal  
10 activity, or obtain a First Amendment immunity from having to be  
11 accountable for the consequences of its conduct;

12 c. Slandering the reputation of Armstrong for truth and  
13 veracity in order to make Scientology's false claims about its  
14 nature and practices seem credible by putting Armstrong into a  
15 posture where Scientology could lie about Armstrong with impunity  
16 because if he spoke out about Scientology, it would sue him into  
17 silence based upon the settlement contract.

18 41. Following the December, 1986 settlement, Scientology  
19 continued to attack Armstrong pursuant to its "fair game  
20 doctrine." Its acts include, but are not limited to, publishing a  
21 false and unfavorable description of Armstrong's in a "dead agent"  
22 pack relating to writer and anti-Scientology litigant Bent  
23 Corydon; filing several affidavits in the case of Church of  
24 Scientology of California v. Russell Miller and Penguin Books  
25 Limited, case no. 6140 in the High Court of Justice in London  
26 England which falsely accused Armstrong of violations of court  
27 orders, and falsely labeled him "an admitted agent provocateur of  
28 the U.S. Federal Government"; and delivering copies of an edited



1 version of an illegally obtained 1984 videotape of Armstrong to  
2 the international media.

3 42. Scientology threatened Armstrong with lawsuits on six  
4 occasions if he did not obey its orders to not testify regarding  
5 Scientology's dark side, thus aiding and abetting its obstruction  
6 of justice in the Miller case, in the case of Bent Corydon v.  
7 Scientology, Los Angeles Superior Court No. C 694401, wherein  
8 Corydon had subpoenaed Armstrong as a witness, and in the case of  
9 Scientology v. Yanny, Los Angeles Superior Court No. C 690211.  
10 Scientology also threatened to release Armstrong's confidences,  
11 which it had stolen from a friend, if Armstrong did not assist the  
12 organization in preventing Corydon from gaining access to the  
13 Armstrong I court file.

14 43. In the fall of 1989, right after receiving a series of  
15 threats from organization attorney Lawrence Heller, Armstrong, who  
16 had not earlier responded to Scientology's post-settlement  
17 attacks, concluded that he was being used to obstruct justice and  
18 that he had a right and a duty to not obstruct justice.

19 44. In February, 1990 Armstrong petitioned the California  
20 Court of Appeal, Second District, Division Three, for permission  
21 to file a response in the appeal from the Breckenridge decision  
22 that Scientology had been able to maintain in the intervening  
23 years. The Court of Appeal granted Armstrong's petition and he  
24 filed a respondent's brief. On July 29, 1991 the Court of Appeal  
25 issued its opinion, Scientology v. Armstrong, (1991) 232 Cal.App.  
26 3d 1060, 283 Cal.Rptr. 917, affirming the Breckenridge decision.

27 45. On October 3, 1991 Scientology filed a motion in  
28 Armstrong I to enforce the settlement contract against Armstrong,



1 claiming that the contract had been approved by Judge  
2 Breckenridge. On December 23, 1991 Judge Bruce R. Geernaert  
3 denied the motion, ruling that Judge Breckenridge had not been  
4 shown the contract. He also said:

5 "[T]hat is ... one of the most ambiguous, one-sided  
6 agreements I have ever read. And I would not have  
7 ordered the enforcement of hardly any of the terms had I  
8 been asked to, even on the threat that, okay, the case  
9 is not settled. I know we like to settle cases. But we  
10 don't like to settle cases and, in effect, prostrate the  
11 court system into making an order which is not fair or  
12 in the public interest."

13 46. Scientology's actual purpose in bringing said motion was  
14 to obstruct justice, suppress evidence, slander Armstrong's  
15 reputation, retaliate against him for exercising his rights, and  
16 to make an example of him so that knowledgeable witnesses who had  
17 been betrayed in the settlement with the organization would  
18 continue to be scared into silence.

19 47. On February 4, 1992 Scientology filed a lawsuit  
20 captioned Church of Scientology v. Gerald Armstrong, Marin  
21 Superior Court Case No. 152229 ("Armstrong II") claiming it was  
22 seeking liquidated damages for alleged contract breaches and  
23 asking for injunctive relief. The case was transferred to Los  
24 Angeles Superior Court and given Case No. BC 052395. On May 27,  
25 1992 at a hearing on Scientology's motion for a preliminary  
26 injunction Judge Ronald M. Sohigian, who refused to enforce  
27 certain of the settlement contract's provisions regarding  
28 restraints on Armstrong's rights to Freedom of Speech, stated:



1 "The information (Armstrong's experiences inside the  
2 Scientology organization) that's being suppressed in  
3 this case, however, is information about extremely  
4 blame-worthy behavior of [the Scientology organization]  
5 which nobody owns; it is information having to do with  
6 the behavior of a high degree of offensiveness and  
7 behavior which is meritorious in the extreme.

8 It involves abusing people who are weak. It involves  
9 taking advantage of people who for one reason or another  
10 get themselves enmeshed in this extremist view in a way  
11 that makes them unable to resist it apparently. It  
12 involves using techniques of coercion."

13 Judge Sohigian did, however, prohibit Armstrong from voluntarily  
14 giving sworn testimony on behalf of private individual plaintiffs  
15 with contemplated or pending claims against Scientology or  
16 assisting such persons with his special knowledge of Scientology.  
17 Armstrong II is presently stayed pending the outcome of an appeal  
18 from the Sohigian ruling.

19 48. On July 8, 1993, after Armstrong II was stayed  
20 Scientology filed a lawsuit captioned Church of Scientology  
21 International v. Gerald Armstrong & The Gerald Armstrong  
22 Corporation, Los Angeles Superior Court Case No. BC 084642  
23 ("Armstrong III") claiming again that it was seeking liquidated  
24 damages for alleged contract breaches and asking for injunctive  
25 relief. Armstrong III has also been stayed pending the outcome of  
26 the appeal from the Sohigian ruling.

27 49. On July 23, 1993, Scientology filed a lawsuit captioned  
28 Church of Scientology International v. Gerald Armstrong, Michael



1 Walton & The Gerald Armstrong Corporation, Marin Superior Court  
2 Case No. 157680 ("Armstrong IV") claiming to be a creditor of  
3 Armstrong and alleging a conspiracy to defraud it of liquidated  
4 damages it claimed were owed by Armstrong.

5 50. Scientology's actual purpose in filing and prosecuting  
6 Armstrong II, III and IV was to obstruct justice, suppress  
7 evidence, assassinate Armstrong's reputation, retaliate against  
8 him for exercising his rights, use the discovery process for  
9 gathering intelligence on its enemies, and to make an example of  
10 Armstrong so that knowledgeable witnesses who had been betrayed in  
11 the settlement with the organization would continue to be scared  
12 into silence.

13 51. Armstrong IV is a part of Scientology's use of  
14 litigation as war against its targeted "enemies" and our justice  
15 system itself. Scientology's tactics in its use of litigation as  
16 war include causing its opposition to do needless work, needlessly  
17 driving up costs to its opposition, ignoring the truth, senseless  
18 relitigation of already decided issues, perjury, destruction and  
19 hiding of evidence, intimidation of witnesses, intimidation of  
20 opposing counsel, and intimidation of judges.

21 52. Indeed, United States District Court Judge James M.  
22 Ideman wrote in a declaration he executed June 17, 1993 and filed  
23 in the United States Court of Appeals:

24 "[Scientology] has recently begun to harass my former  
25 law clerk who assisted me on this case, even though she  
26 now lives in another city and has other legal  
27 employment. This action, in combination with other  
28 misconduct by counsel over the years has caused me to



1 reassess my state of mind with respect to the propriety  
2 of my continuing to preside over the matter. I have  
3 concluded that I should not.

4 [Scientology's] non-compliance (with Court orders) has  
5 consisted of evasions, misrepresentations, broken  
6 promises and lies, but ultimately with refusal. As part  
7 of this scheme to not comply [Scientology has]  
8 undertaken a massive campaign of filing every  
9 conceivable motion (and some unconceivable) (Judge  
10 Ideman's parens.) to disguise the true issues in these  
11 pretrial proceedings. Apparently viewing litigation as  
12 war, plaintiffs by this tactic have had the effect of  
13 massively increasing costs to the other parties, and,  
14 for a while, to the Court.

15 Yet it is almost all puffery -- motions without merit or  
16 substance."

17 53. The Armstrong IV complaint, and all of Scientology's  
18 papers filed in the case, constitute an abuse of process because  
19 it is intended to support Scientology's strategy of retributive  
20 litigation in furtherance of its plan and scheme to obstruct  
21 justice and to suppress evidence by making an example of Armstrong  
22 in order to intimidate other persons who are knowledgeable about  
23 Scientology from coming forward and speaking the truth.  
24 Scientology's filing and litigation of Armstrong IV is in  
25 conformity with its express policy specifying the improper use of  
26 litigation. Said policy, in part, is stated as follows:

27 "The purpose of the suit is to harass and discourage  
28 rather than to win. [¶] The law can be used very



1 easily to harass, and enough harassment on somebody who  
2 is simply on the thin edge anyway...will generally be  
3 sufficient to cause his professional decease. If  
4 possible, of course, ruin him utterly. "

5 FIRST CAUSE OF ACTION

6 (For Abuse of Process Against All Cross-Defendants)

7 54. Cross-complainant Armstrong realleges paragraphs 1  
8 through 53, inclusive and incorporates them by reference herein as  
9 though fully set forth.

10 55. Cross-defendants, and each of them, have abused the  
11 process of this court in a wrongful manner, not proper in the  
12 regular conduct of proceedings, to accomplish purposes for which  
13 said proceedings were not designed, specifically obstruction of  
14 justice, suppression of evidence, assassination of Armstrong's  
15 reputation, retaliation against him for exercising his rights,  
16 gathering intelligence on its enemies, and making an example of  
17 Armstrong so that knowledgeable witnesses who had been betrayed in  
18 the settlement with the organization would continue to be scared  
19 into silence.

20 56. Cross-defendants, and each of them, acted in this  
21 litigation with an ulterior motive to obstruct justice, suppress  
22 evidence, assassinate Armstrong's reputation, retaliate against  
23 him for exercising his rights, use the discovery process for  
24 gathering intelligence on its enemies, and to make an example of  
25 Armstrong so that knowledgeable witnesses who had been betrayed in  
26 the settlement with the organization would continue to be scared  
27 into silence.

28 57. Defendants, and each of them, have abused the process of



1 this court in a wrongful manner, not proper in the regular conduct  
2 of the proceedings in Armstrong IV and in other litigation, to  
3 accomplish a purpose for which said proceedings were not designed,  
4 specifically, the suppression of evidence, the obstruction of  
5 justice, the assassination of cross-complainant's reputation, and  
6 retaliation against said cross-complainant for prevailing at trial  
7 in Armstrong I, and for continuing to publicly speak out on the  
8 subject of Scientology, all so as to be able to attack cross-  
9 complainant and prevent cross-complainant from being able to take  
10 any effective action to protect himself.

11 58. Defendants, and each of them, acted with an ulterior  
12 motive to suppress evidence, obstruct justice, assassinate cross-  
13 complainant's reputation, suppress ARMSTRONG's First Amendment  
14 rights, and to retaliate against cross-complainant in said  
15 litigation.

16 59. That defendants, and each of them, have committed  
17 willful acts of intimidation, threats, and submission of false and  
18 confidential documents not authorized by the process of  
19 litigation, and not proper in the regular conduct of litigation.

20 60. On February 19, 1992, shortly after Scientology filed  
21 Armstrong II, Armstrong's attorney therein, Ford Greene, wrote to  
22 Scientology's attorney, Laurie Bartilson, requesting that, for the  
23 purpose of Armstrong's defense, Scientology release Armstrong's  
24 former attorneys, Michael Flynn, Bruce Bunch and Julia Dragojevic,  
25 from contracts by which Scientology prohibited them, on threat of  
26 fair game, from assisting Armstrong against Scientology's charges.  
27 The assistance of said attorneys was necessary because each had  
28 represented Armstrong throughout the Armstrong I litigation and



1 had participated as Armstrong's agents in the 1986 settlement  
2 negotiations with Scientology which resulted in the subject  
3 settlement agreement Scientology sought to enforce in Armstrong  
4 II.

5 61. On February 24, 1992, Greene wrote to Bartilson,  
6 requesting that, for the purpose of Armstrong's defense,  
7 Scientology release the individuals, including Sullivan, Franks,  
8 Schomer, Walters and Samuels, who had signed Scientology's  
9 "settlement agreements" around the same time as Armstrong, from  
10 said agreements which prohibited them, on threat of fair game,  
11 from assisting Armstrong against Scientology's charges. The  
12 assistance of said individuals, all of whom had been represented  
13 by Flynn, was necessary because Scientology claimed in Armstrong  
14 II that they had each signed and agreed to settlement agreements  
15 substantially similar to Armstrong's; yet each had been advised by  
16 Flynn that the prohibitory clauses in said settlement agreements  
17 were unenforceable. Each witness would support Armstrong's  
18 defense that Scientology had obtained their signatures on said  
19 unenforceable contracts by subjecting them and their attorney to  
20 fair game. Releases were necessary as well because Armstrong did  
21 not have and does have any money to pay for service of deposition  
22 subpoenas, deposition transcripts and related travel costs for  
23 these witnesses, himself or his attorney.

24 62. On March 2, 1992 Bartilson wrote to Greene refusing to  
25 release either Armstrong's former attorneys or any of the  
26 "settling" individuals, including Sullivan, Franks, Schomer,  
27 Walters and Samuels, from the contracts by which Scientology  
28 prevented them from assisting Armstrong.



63. On March 25, 1994 Judge Gary W. Thomas issued an order in Armstrong IV sustaining plaintiff's demurrer stating, inter alia, "As to the first cause of action for declaratory relief, cross complainant seeks a declaration of issues which will be determined in the Los Angeles Superior Court actions (enforceability of settlement contract) or in the underlying complaint (ability of plaintiff to recover under the Uniform Fraudulent Conveyance Act)."

64. On March 30, 1994 Greene wrote to Bartilson requesting that, for the purpose of Armstrong's defense in Armstrong IV, Scientology release Armstrong's former attorneys, Michael Flynn, Bruce Bunch and Julia Dragojevic, and the settling individuals, including Sullivan, Franks, Schomer, Walters and Samuels, from said contracts by which Scientology prohibited them, on threat of fair game, from assisting Armstrong against Scientology's charges in Armstrong IV. The assistance of said attorneys and individuals was necessary for the reasons set forth above in paragraphs 60 and 61.

65. On April 4, 1994 Bartilson wrote to Greene refusing to release either Armstrong's former attorneys or any of the "settling" individuals, including Sullivan, Franks, Schomer, Walters and Samuels, from the contracts by which Scientology prevented them from assisting Armstrong in the Armstrong IV litigation.

66. Without Scientology's specific release of witnesses with knowledge of the facts surrounding the settlement agreement on which Scientology bases Armstrong IV even subpoenaing said witnesses for deposition will not free them from Scientology's



1 fair game threat to provide honest testimony. Indeed Howard  
2 Schomer was so intimidated by Scientology's threats of litigation  
3 should he testify even pursuant to a subpoena that when he was  
4 subpoenaed to a deposition in the Corydon case in 1990 he allowed  
5 one of Scientology's own lawyers to represent him and altered his  
6 previous sworn testimony to suit Scientology.

7 67. Scientology's refusal to release of said attorneys and  
8 individuals, on whom Armstrong depends for his defense of  
9 Scientology's claims in the underlying complaint in Armstrong IV,  
10 to be able to freely testify by means of declaration or  
11 deposition, when coupled with Scientology's continual threat of  
12 fair game should any these knowledgeable attorneys or individuals  
13 testify, is a willful act in the use of the legal process not  
14 proper in the regular conduct of this or any proceeding in our  
15 justice system. Its purpose is obstruction of justice and  
16 destruction of evidence so as to gain an illicit advantage in the  
17 Armstrong IV litigation, as well as to needlessly to run up  
18 Armstrong's costs so as to crush him economically.

19 68. On August 3, 1993, shortly after filing the underlying  
20 Armstrong IV complaint, Scientology recorded a lis pendens on the  
21 real property situated in Marin County known as 707 Fawn Drive and  
22 owned by Michael and Solina Walton. Scientology was not entitled  
23 by law to record said lis pendens. Moreover, the value of the  
24 property encumbered by said lis pendens far exceeded the amount of  
25 Scientology's legitimate claim, which is zero. The Waltons made  
26 several requests of Scientology that it remove the improper lis  
27 pendens, and Scientology refused, forcing the Waltons to bring a  
28 motion for an order of expungement. The forcing of the Waltons to



1 bring a motion to achieve the expungement of the lis pendens to  
2 which Scientology was not entitled was a willful act improper in  
3 the regular conduct of the Armstrong IV proceeding, for the  
4 purposes of threatening Armstrong's friends, the Waltons, causing  
5 them problems and pushing up their costs in the litigation  
6 unnecessarily, so as to drive a wedge between the Waltons and  
7 Armstrong, to isolate Armstrong and to retaliate against him for  
8 exercising his rights by attacking his friends. Cost to the  
9 Waltons to obtain the expungement of said improper lis pendens is  
10 over \$8000.00. On October 29, 1993 the Court ordered said lis  
11 pendens expunged and ordered Scientology to pay \$3514.00 of the  
12 Waltons' costs by December 1, 1993, which orders Scientology did  
13 not appeal. As of this date Scientology has not paid this amount  
14 to the Waltons and continues to refuse to pay. Such refusal is a  
15 willful act for the illicit purposes of intimidation, causing the  
16 Waltons and Armstrong more trouble and pushing up the costs of  
17 this litigation even more.

18 69. On February 8, 1994, Scientology leader and cross-  
19 defendant herein David Miscavige executed a declaration which  
20 concerned Armstrong and which was filed in the case of Scientology  
21 v. Fishman & Geertz, United States District Court for the Central  
22 District of California Case No. CV 91-6425 HLH(Tx). In said  
23 declaration Miscavige falsely accused Armstrong of various acts  
24 relating to his experiences with Scientology prior to the 1986  
25 settlement. On February 22 Armstrong executed a declaration for  
26 filing in the Fishman case to correct the falsehoods in  
27 Miscavige's declaration concerning his Scientology-related  
28 experiences. Prior to responding to the Miscavige declaration



1 Armstrong had executed no declaration for use in the Fishman case.  
2 On April 5, 1994, Scientology amended its complaint in Armstrong  
3 II to add a claim for \$50,000.00 in liquidated damages for  
4 Armstrong's execution of February 22 declaration. Miscavige and  
5 Scientology filed the false declaration about Armstrong in Fishman  
6 to goad and lure him into responding to correct the record and  
7 then use his response to puff up the liquidated damages on which  
8 Scientology bases its claim of damages in Armstrong IV so as to be  
9 able to use that litigation as a vehicle to accomplish its actual  
10 purposes of obstruction of justice, suppression of evidence,  
11 assassination of Armstrong's reputation, retaliation against him  
12 for exercising his rights, use of the discovery process for  
13 gathering intelligence on its enemies, and making an example of  
14 Armstrong so that knowledgeable witnesses who had been betrayed in  
15 the settlement with the organization would continue to be scared  
16 into silence. All other liquidated damages claims on which  
17 Scientology bases Armstrong IV are similarly baseless and the  
18 result of Scientology's and Miscavige's own wrongful acts.

19 70. I am informed and believe and allege thereon that on or  
20 about March 30, 1994 Scientology, pursuant to L. Ron Hubbard's  
21 policies of fair game and "black propaganda," disseminated  
22 internationally a publication which defames Armstrong by falsely  
23 accusing him of crimes and perversions, impugns his character with  
24 falsehoods and innuendo, and purports to describe his pre-  
25 settlement experiences with the Scientology organization. I am  
26 informed and believe and allege thereon that the actual source of  
27 said publication is David Miscavige. One of the purposes of said  
28 publication is to goad or lure Armstrong into responding to clear



1 his name of Miscavige's and Scientology's lies. Scientology will  
2 then claim it is due liquidated damages in order to pad the claims  
3 on which it bases Armstrong IV. If Armstrong does not respond in  
4 order to refute Miscavige's and Scientology's lies and clear his  
5 name Miscavige and Scientology will claim that Armstrong, who  
6 himself received a copy of said publication in Scientology's  
7 international mailing, admits the truthfulness of said lies. The  
8 actual purposes of Scientology's willful act in disseminating said  
9 publication during the litigation of Armstrong IV are the  
10 assassination of Armstrong's reputation, retaliation against him  
11 for exercising his rights, and making an example of Armstrong so  
12 that knowledgeable witnesses who had been betrayed in the  
13 settlement with the organization would continue to be scared into  
14 silence. Said publication is a vehicle Scientology is using to  
15 improperly inject into the Armstrong IV litigation false  
16 statements about Armstrong which have no connection to or logical  
17 relation to the action and are not made to achieve the objects of  
18 that litigation. Said publication contains, moreover, a  
19 description of a document which was illegally obtained by  
20 Scientology, and which was specifically sealed by Judge  
21 Breckenridge in the Armstrong I litigation. Scientology's use of  
22 said document in violation of an order of the Los Angeles Superior  
23 Court to effectuate its injection into the Armstrong IV litigation  
24 for the purpose of assassinating Armstrong's reputation is a  
25 willful act improper in the regular conduct of this or any other  
26 proceeding.

27 71. Throughout the Armstrong IV litigation Scientology has  
28 made knowingly false and defamatory statements about Armstrong for



1 the purpose of assassinating his reputation, rather than to  
2 achieve the legitimate objects, if any, of the litigation. These  
3 include the lies that Armstrong has or had a history of fomenting  
4 litigation against Scientology, that for years he displayed an  
5 intense and abiding hatred for Scientology, and that he had  
6 extorted money from Scientology as the price of his signature on  
7 the subject settlement agreement. None of these statements is  
8 true and none are reasonably related to the objects of the  
9 Armstrong IV litigation, namely the setting aside of what  
10 Scientology alleges are fraudulent transfers by Armstrong.

11 72. While litigating Armstrong IV, which Scientology bases  
12 on Armstrong's alleged breaches of the 1986 settlement agreement,  
13 Scientology has itself refused to be bound by the same agreement.  
14 Scientology's refusal includes its unilateral rejection of the  
15 prevailing party fees and costs provision in paragraph 20 of the  
16 agreement. Since December, 1991 Scientology has owed Armstrong  
17 over \$20,000.00 in fees and costs from his successful defense of  
18 Scientology's motion to enforce the settlement agreement in  
19 Armstrong I. Scientology continues to refuse to pay said fees and  
20 costs due and continues to reject its own prevailing party fees  
21 and costs settlement agreement provision, while prosecuting the  
22 baseless and costly Armstrong IV litigation. Said refusal to be  
23 bound by its own contract is an improper willful act for the  
24 purposes of intimidation, destroying Armstrong financially,  
25 retaliation against him for exercising his rights, and making an  
26 example of him so that knowledgeable witnesses who had been  
27 betrayed in the settlement with the organization would continue to  
28 be scared into silence.



1        73. Scientology bases all of its allegations relating to  
2 fraudulent conveyances in Armstrong IV solely on the deposition  
3 testimony of Armstrong and Walton in the Armstrong II litigation.  
4 Yet there is not one word in that testimony to support  
5 Scientology's allegations. Armstrong and Walton, on the other  
6 hand, have provided from the beginning of the Armstrong IV  
7 litigation overwhelming, detailed documentary proof of the non-  
8 fraudulent nature of all of Armstrong's conveyances Scientology  
9 claims it seeks in this action to set aside. In order to continue  
10 to prosecute Armstrong IV Scientology refuses to acknowledge this  
11 overwhelming proof. By refusing to acknowledge this proof and  
12 maintaining the charade of legitimacy in its allegations  
13 Scientology has through the discovery process in Armstrong IV  
14 obtained Armstrong's and Walton's personal and detailed financial  
15 records. The purposes for Scientology's use of the discovery  
16 process to obtain such records in this case are to feed its  
17 intelligence gathering apparatus, intimidation and retaliation.  
18 Faced as Scientology is with the fact that all of Armstrong's  
19 conveyances were non-fraudulent all of its acts in continuing to  
20 prosecute Armstrong IV constitute an ongoing abuse of process.

21        74. Throughout the Armstrong IV litigation Armstrong and  
22 Walton have made several attempts to get Scientology to meet and  
23 communicate for the purpose of resolving the action without  
24 further litigation and greater cost, and each attempt Scientology  
25 has refused to acknowledge. Armstrong and Walton have, moreover,  
26 made several requests that Scientology dismiss the litigation, and  
27 Scientology has refused each request. Having no basis in reality  
28 for the Armstrong IV complaint Scientology prosecutes this case



1 for improper purposes, and its acts in refusing to meet and  
2 communicate and refusing to dismiss the case constitute an abuse  
3 of process. Scientology's purpose in its refusals to resolve its  
4 meritless Armstrong IV case is to be able to maintain it as a  
5 vehicle for its actual and illicit motives: obstruct justice,  
6 destroy evidence, gain an unfair advantage in all of its  
7 litigations, feed its intelligence appetite, crush Armstrong  
8 economically, destroy him emotionally, assassinate his reputation,  
9 retaliate against him for daring to live his own life and stand up  
10 to Scientology's suppression, make an example of him as a message  
11 to anyone else who might dare to stand up to its suppression, and  
12 intimidate the legal community.

13

14

15 75. Cross-complainant has suffered damage, loss and harm,  
16 including but not limited to his reputation, his emotional  
17 tranquillity, and privacy.

18 76. That said damage, loss and harm was the proximate and  
19 legal result of the use of such legal process.

20

PRAYER

21 **WHEREFORE**, cross-complainant seeks relief as is hereinafter  
22 pleaded.

23

ON THE FIRST CAUSE OF ACTION

- 24 1. For general and compensatory damages according to proof.  
25 2. For attorney's fees and costs of suit.  
26 3. For such other and further relief as the Court may deem  
27 just and proper.

28

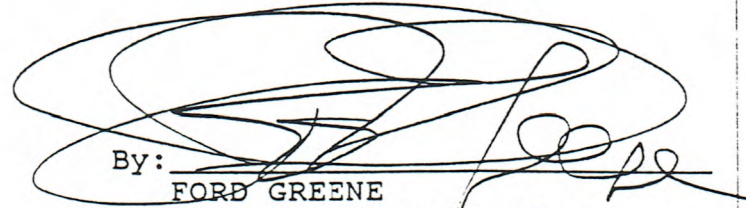


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Respectfully submitted,

DATED: April 15, 1994

HUB LAW OFFICES

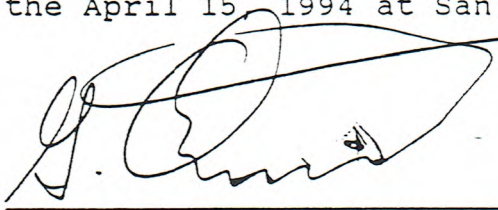
  
By: \_\_\_\_\_  
FORD GREENE  
Attorney for Defendant



VERIFICATION

I, the undersigned, am the cross-complainant in the above entitled action. I know the contents of the foregoing First Amended Cross-Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on the April 15, 1994 at San Anselmo, California.

By:   
GERALD ARMSTRONG



PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: FIRST VERIFIED AMENDED CROSS-COMPLAINT FOR ABUSE OF PROCESS on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire  
WILSON, RYAN & CAMPILONGO  
235 Montgomery Street, Suite 450  
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.  
Bowles & Moxon  
6255 Sunset Boulevard  
Suite 2000  
Los Angeles, California 90028

MICHAEL WALTON  
P.O. Box 751  
San Anselmo, California 94960

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: April 15, 1994









NOT TO BE PUBLISHED

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA  
SECOND APPELLATE DISTRICT  
DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL,	)	No. B069450
	)	
Plaintiff and Respondent,	)	(Super.Ct.No. BC052395)
	)	
v.	)	
	)	
GERALD ARMSTRONG,	)	
	)	
Defendant and Appellant.	)	

COURT OF APPEAL - SECOND DISTRICT  
FILED

1984

JOSEPH ..... Clerk  
Dated: .....

APPEAL from an order of the Superior Court of  
Los Angeles County, Ronald M. Sohigian, Judge. Affirmed.

Ford Greene and Paul Morantz for Defendant and  
Appellant.

Bowles & Moxon, Karen D. Holly, Wilson, Ryan &  
Campilongo, Andrew H. Wilson, Rabinowitz, Boudin, Standard,  
Krinsky & Lieberman, Eric M. Lieberman, and Michael Lee  
Hertzberg for Plaintiff and Respondent.



Defendant and appellant Gerald Armstrong (Armstrong) appeals from an order granting a preliminary injunction restraining Armstrong from voluntarily giving assistance to other persons litigating or intending to litigate claims against plaintiff and respondent Church of Scientology International (Church).

The injunction was granted to enforce a settlement agreement in prior litigation between Armstrong and Church. In the settlement, Armstrong agreed he would not voluntarily assist other persons in proceedings against Church.

Armstrong does not deny violating his agreement but asserts numerous reasons why his agreement should not be enforceable. We conclude that the narrowly-limited preliminary injunction, which did not finally adjudicate the merits of Armstrong's claims, was not an abuse of the trial court's discretion to make orders maintaining the status quo and preventing irreparable harm pending the ultimate resolution of the merits.

#### FACTUAL AND PROCEDURAL BACKGROUND

Armstrong was a member of Church between 1969 and 1981. He became an insider of high rank, familiar with Church practices and documents. He became disillusioned and left Church in 1981. When he left, he took many Church documents with him.



## The Prior Action and Settlement

Church brought the prior action against Armstrong seeking return of the documents, injunctive relief against further dissemination of information contained in them, and imposition of a constructive trust. Mary Sue Hubbard, wife of Church founder L. Ron Hubbard, intervened asserting various torts against Armstrong. Armstrong filed a cross-complaint seeking damages for fraud, intentional infliction of emotional distress, libel, breach of contract, and tortious interference with contract.

Church's complaint and Hubbard's complaint in intervention were tried in 1984 by Judge Breckenridge. That trial led to a judgment, eventually affirmed on appeal, holding Armstrong's conversion of the documents was justified because he believed the conversion necessary to protect himself from Church's claims that he had lied about Church matters and L. Ron Hubbard. (Church of Scientology v. Armstrong (1991) 232 Cal.App.3d 1060, 1063, 1073.)

Armstrong's cross-complaint in that case was settled in December 1986 by the settlement agreement which is the subject of the injunction in the present case.

In the settlement agreement, the parties mutually released each other from all claims, except the then-pending appeal of Judge Breckenridge's decision on Church's complaint, which was expressly excluded. The settlement involved a number



of persons engaged in litigation against Church, all represented by Attorney Michael Flynn. As a result of the settlement, Armstrong was paid \$800,000. Armstrong's cross-complaint was dismissed with prejudice, as agreed, on December 11, 1986.

The portions of the settlement agreement most pertinent to this appeal are paragraphs 7-G, 7-H, and 10, in which Armstrong agreed not to voluntarily assist other persons intending to engage in litigation or other activities adverse to Church.<sup>1/</sup>

---

1. "G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology. [¶] H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed. [¶] . . . 10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement."

Paragraph 20 of the agreement authorizes its enforcement by injunction.



## The Present Action

In February 1992, Church filed a complaint in the present action alleging Armstrong's violation of the settlement agreement and seeking damages and injunctive relief.

In support of its motion for a preliminary injunction, Church presented evidence that since June 1991 Armstrong had violated the agreement by working as a paralegal for attorneys representing clients engaged in litigation against Church and by voluntarily and gratuitously providing evidence for such litigation. Armstrong worked as a paralegal for Attorney Joseph Yanny, who represented Richard and Vicki Aznaran in a multimillion dollar suit against Church in federal court. Armstrong also voluntarily provided declarations for use in the Aznarans' case. Armstrong thereafter worked for Attorney Ford Greene on the Aznaran and other Church related matters.

Armstrong did not deny the charged conduct but asserted the settlement agreement was not enforceable for various reasons, primarily that it was against public policy and that he signed it under duress.

## The Trial Court's Preliminary Injunction

The trial court granted a limited preliminary injunction, with exceptions which addressed Armstrong's



argument that the settlement agreement violated public policy by requiring suppression of evidence in judicial proceedings.

The court found that Armstrong voluntarily entered the settlement agreement for which he received substantial compensation, and that Armstrong was unlikely to prevail on his duress claim. The court found that Armstrong could contract as part of the settlement to refrain from exercising various rights which he would otherwise have. Balancing the interim harms to the parties, the court found that to the extent of the limited acts covered by the preliminary injunction, Church would suffer irreparable harm which could not be compensated by monetary damages, and harm for which monetary damages would be difficult to calculate. (Code Civ. Proc., § 526, subds. (a)(2), (a)(4), (a)(5).)

The court's order provides, in pertinent part:

"Application for preliminary injunction is granted in part, in the following respects only. [¶] Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following: [¶] Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons



referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it. [¶]

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986."

The court provided the following exceptions to address Armstrong's public policy arguments: "The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order."

/

/

/

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## DISCUSSION

The grant of a preliminary injunction does not adjudicate the ultimate rights in controversy between the parties. It merely determines that the court, balancing the relative equities of the parties, concludes that, pending a trial on the merits, the defendant should be restrained from exercising the right claimed. The purpose of the injunction is to preserve the status quo until a final determination of the merits of the action. (Continental Baking Co. v. Katz (1968) 68 Cal.2d 512, 528.)

The court considers two interrelated factors. The first is the likelihood the plaintiff will prevail at trial. The second is the interim harm the plaintiff is likely to sustain if the injunction is denied, as compared to the harm the defendant is likely to suffer if the injunction is granted. (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286.)

The decision to grant or deny a preliminary injunction rests in the discretion of the trial court. Accordingly, an appellate court's review on appeal from the granting of a preliminary injunction is very limited. The burden is on the appellant to make a clear showing that the trial court abused its discretion. (IT Corp. v. County of Imperial (1983) 35 Cal.3d 63, 69; Nutro Products, Inc. v. Cole Grain Co. (1992) 3



Cal.App.4th 860, 865.) Abuse of discretion means the trial court has exceeded the bounds of reason or contravened the uncontradicted evidence. (IT Corp. v. County of Imperial, supra, 35 Cal.3d at p. 69.)

Here, the trial court's memorandum decision reflects very careful consideration of the factors relevant to the granting of a preliminary injunction. The court weighed the relative harms to the parties and balanced the interests asserted by Armstrong. The court granted a limited preliminary injunction with exclusions protecting the countervailing interests asserted by Armstrong. We find no abuse of discretion. We cannot say that the trial court erred as a matter of law in weighing the hardships or in determining there is a reasonable probability Church would ultimately prevail to the limited extent reflected by the terms of the preliminary injunction.

Although Armstrong's "freedom of speech" is affected, it is clear that a party may voluntarily by contract agree to limit his freedom of speech. (See In re Steinberg (1983) 148 Cal.App.3d 14, 18-20 [filmmaker agreed to prior restraint on distribution of film]; ITT Telecom Products Corp. v. Dooley (1989) 214 Cal.App.3d 307, 319 [employee's agreement not to disclose confidential information; "it is possible to waive even First Amendment free speech rights by contract"]; Snepp v. United States (1980) 444 U.S. 507, 509, fn. 3 [book by CIA



employee subject to prepublication clearance by terms of his employment contract].)

The exceptions in the trial court's injunction assured that the injunction would not serve to suppress evidence in legal proceedings. The injunction expressly did not restrain Armstrong from accepting service of subpoenas, testifying fully and fairly in legal proceedings, and reporting criminal conduct to the authorities. (See Philippine Export & Foreign Loan Guarantee Corp. v. Chuidian (1990) 218 Cal.App.3d 1058, 1081-1082.) This contrasts with the stipulation in Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 315-316, cited by Armstrong, which prevented a party from disclosing misconduct to regulatory authorities.

This appeal is only from the granting of a preliminary injunction which expressly did not decide the ultimate merits. As limited by the trial court here, the preliminary injunction merely restrains, for the time being, Armstrong's voluntary intermeddling in other litigation against Church, in violation of his own agreement. We decline any extended discussion of Armstrong's shotgun-style brief, which offers more than a dozen separate contentions against enforcement. It suffices to say that Armstrong has not borne his burden on appeal to demonstrate a clear abuse of discretion.



DISPOSITION

The order granting a preliminary injunction is affirmed.

NOT TO BE PUBLISHED

VOGEL (C.S.), Acting P.J.

We concur:

HASTINGS, J.

KLEIN (Brett), J.\*

---

\*Assigned by the Chairperson of the Judicial Council.







# SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 06/07/94

DEPT. 30

HONORABLE DAVID HOROWITZ

JUDGE

S. ROBLES

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

C. AGUIRRE, CSL

Deputy Sheriff

NONE

Reporter

8:30 am

BC052395  
Church of Scientology, etc.  
VS  
Gerald Armstrong, et al.  
BC 084642 CONSOLIDATED HER  
170.6 JUDGE GEERNAERT

Plaintiff

LAURIE J. BARTILSON (x)

Counsel

ANDREW WILSON (x)

Defendant

PAUL MORANTZ (x)

Counsel

\*\* NO LEGAL FILE \*\*

NATURE OF PROCEEDINGS:

STATUS CONFERENCE;

A FINAL STATUS CONFERENCE is set for  
October 28, 1994 at 8:30 a.m., in this department.

A 5-10 DAY JURY TRIAL is set for  
November 7, 1994 at 8:30 a.m., in this department.

Notice is waived.







Andrew H. Wilson, SBN #063209  
WILSON, RYAN & CAMPILONGO  
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Suite 450  
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(415) 391-3900

Laurie J. Bartilson, SBN #139220  
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6255 Sunset Boulevard, Suite 2000  
Hollywood, CA 90028  
(213) 953-3360

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

ORIGINAL FILED

AUG - 1994

LOS ANGELES  
SUPERIOR COURT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California not-  
for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through  
25, inclusive,

Defendants.

) CASE NO. BC 052395  
)  
) PLAINTIFF'S NOTICE OF  
) MOTION AND MOTION FOR  
) SUMMARY ADJUDICATION OF THE  
) FOURTH, SIXTH AND ELEVENTH  
) CAUSES OF ACTION OF  
) PLAINTIFF'S SECOND AMENDED  
) COMPLAINT; MEMORANDUM OF  
) POINTS AND AUTHORITIES IN  
) SUPPORT THEREOF  
)  
) DATE: August 31, 1994  
) TIME: 8:30 a.m.  
) DEPT: 30  
)  
) DISC CUT-OFF: Oct. 7, 1994  
) MTN CUT-OFF: Oct. 21, 1994  
) TRIAL DATE: Nov. 7, 1994  
)  
)

PLEASE TAKE NOTICE that on August 31, 1994, at 8:30 a.m., or  
as soon thereafter as may be heard in Department 30 of the above-  
entitled Court located at 111 North Hill Street, Los Angeles,  
California, plaintiff Church of Scientology International ("the  
Church") will move this Court to issue an order granting summary

265



1 adjudication of plaintiff's Fourth, Sixth and Eleventh Causes of  
2 Action (for breach of contract resulting in liquidated damages)  
3 in favor of the Church, pursuant to California Code of Civil  
4 Procedure Section 437c. This Motion is made on the grounds that  
5 there is no triable issue of any material fact relevant to  
6 plaintiff's enumerated claims for breach of contract, and that  
7 the Church is entitled to judgment on those causes of action as a  
8 matter of law.

9 This Motion is based on this Notice of Motion and Motion,  
10 the pleadings, records and files herein, the accompanying  
11 Memorandum of Points and Authorities, the declarations and  
12 exhibits filed herewith, the accompanying Separate Statement of  
13 Undisputed Material Facts, and such other evidence as may be  
14 adduced properly at the hearing of this Motion.

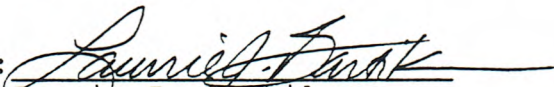
15 Dated: August 2, 1994

Respectfully submitted,

16 Andrew H. Wilson  
17 WILSON, RYAN & CAMPILONGO

18 BOWLES & MOXON

19 By:

  
Laurie J. Bartilson

20  
21 Attorneys for Plaintiff  
22 CHURCH OF SCIENTOLOGY  
23 INTERNATIONAL  
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TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
I. PRELIMINARY STATEMENT . . . . .	1
II. STATEMENT OF FACTS . . . . .	4
A. The Settlement Agreement . . . . .	4
B. Armstrong's Willing Participation in the Settlement Process . . . . .	6
C. Armstrong's Breaches of Paragraph 7(D) of the Agreement . . . . .	7
1. Armstrong Violated The Agreement By Providing A Declaration About His Experiences With The Church And Additional Documents To Anti- Church Litigants Vicki And Richard Aznaran . .	7
2. Armstrong Violated The Agreement By Providing A Declaration About His Experiences With The Church And Additional Documents To David Mayo, et al. . . . .	9
3. Armstrong Violated The Agreement By Giving Interviews To The Media . . . . .	9
III. ARGUMENT . . . . .	10
A. Armstrong's Liability For The Breaches May Be Determined By Summary Adjudication . . . . .	10
B. The Undisputed Evidence Concerning These Three Causes Of Action Supports A Judgment For Plaintiff In The Combined Amount of \$150,000 In Liquidated Damages . . . . .	12
CONCLUSION . . . . .	14



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TABLE OF AUTHORITIES

CASES

PAGE

<u>Nizuk v. Georges</u> (1960) 180 Cal.App.2d 699, 4 Cal.Rptr. 565 . . . . .	12
<u>O'Connor v. Televideo System, Inc.</u> (1990) 218 Cal.App.3d 709, 267 Cal.Rptr. 237 . . . . .	14
<u>Reichert v. General Insurance Company of America</u> (1968) 68 Cal.2d 822, 69 Cal.Rptr. 321, 462 P.2d 377. . . . .	13
<u>University of Southern California v. Superior Court,</u> 222 Cal.App.3d 1028, 272 Cal.Rptr. 264 (1990) . . . . .	12

OTHER

C.C.P. §437c(n)(1) . . . . .	11
Code Civ. Proc. § 437c . . . . .	10
Gov.Code § 53069.85. . . . .	14



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1 pursuant to the Agreement. [Sep.St.Nos. 9-10.] The facts are  
2 undisputed, however, that Armstrong has breached the Agreement  
3 repeatedly, as set forth in detail in the Second Amended  
4 Complaint. Many of those breaches involved disclosures by  
5 Armstrong about his alleged experiences in and with Scientology,  
6 which paragraph 7(D) of the Agreement provides entitles CSI to  
7 liquidated damages. With this motion, CSI seeks summary  
8 adjudication that it is entitled to the payment by Armstrong of  
9 liquidated damages in the aggregate amount of \$150,000, for three  
10 of the breaches of the Agreement admitted which are undisputed:

11 - In August, 1991, Armstrong provided a declaration to  
12 litigants suing the Church which purports to describe his  
13 experiences with the Church of Scientology [Amended Complaint  
14 ("Am.Cmplt."), Fourth Cause of Action];

15 - In May, 1992, Armstrong provided a declaration to still  
16 more anti-Church litigants which claimed to authenticate an  
17 earlier affidavit, prepared by Armstrong, which described  
18 Armstrong's alleged experiences with the Church of Scientology  
19 [Am.Cmplt., Eleventh Cause of Action]; and

20 - In March, 1992, Armstrong provided interviews to various  
21 media, including, inter alia, Cable News Network (CNN) and The  
22 American Lawyer, in which he discussed, inter alia, his  
23 experiences with the Church of Scientology [Am.Cmplt., Sixth  
24 Cause of Action].

25 Armstrong does not contest the facts which comprise these  
26 breaches; indeed, he has admitted that he did each of the actions  
27 which plaintiff alleges. Nor does he contest that the actions  
28 are breaches of the written agreement. Throughout this



1 litigation, Armstrong has argued solely that, although he  
2 received full and substantial consideration from the Church, he  
3 should be excused from his performance of the contract.

4 Armstrong's central argument has been that, in his view, the  
5 contract violated "public policy" because it interfered with his  
6 First Amendment rights, and because his lawyer had improperly  
7 pressured him to sign the Agreement. Armstrong has listed a  
8 large panoply of "affirmative defenses," all of which were argued  
9 extensively both to Judge Sohigian and on appeal. After  
10 discarding Armstrong's First Amendment argument, noting that  
11 "[a]lthough Armstrong's 'freedom of speech is affected, it is  
12 clear that a party may voluntarily by contract agree to limit his  
13 freedom of speech," the court of appeal "decline[d] any extended  
14 discussion" of Armstrong's remaining "shotgun-style" arguments,  
15 and found that he was incapable of bearing his burden of  
16 demonstrating why the agreement should not be enforced.  
17 [Sep.St.No. 11, 12, 13, 14.]

18 Armstrong raised these arguments early in the litigation,  
19 when the Church sought a preliminary injunction, arguing  
20 unsuccessfully to both the trial court and the court of appeal  
21 that his litany of accusatory affirmative defenses should negate  
22 his contractual obligations. Just as the court of appeal  
23 rejected Armstrong's lengthy litany of complaints about the  
24 contract, finding that the Church could, indeed, enforce the  
25 Agreement by means of preliminary injunction, so must this Court  
26 reject those same tired arguments when they are offered as  
27 excuses for Armstrong's repeated and deliberate breaches of the  
28 agreement.



1 With no facts in dispute, interpretation of the meaning and  
2 effect of the contractual provisions which provide the Church  
3 with a remedy for these breaches is a matter of law for the  
4 Court, and the Fourth, Sixth and Eleventh Causes of Action may be  
5 adjudicated in the Church's favor on a motion for summary  
6 adjudication.

## 7 II. STATEMENT OF FACTS

### 8 A. The Settlement Agreement

9 In December, 1986, the Church entered into the Agreement  
10 with Armstrong. The Agreement provided for a mutual release and  
11 waiver of all claims arising out of a cross-complaint which  
12 defendant Armstrong had filed in Church of Scientology of  
13 California v. Gerald Armstrong, Los Angeles Superior Court No.  
14 C420153.<sup>2</sup> The Agreement contains various provisions designed to  
15 guarantee that new actions were not spawned or encouraged by the  
16 conclusion of the old one. In particular, with respect to the  
17 causes of action at issue in this motion, paragraph 7(D) provides  
18 that Armstrong: (1) would not create or publish, or assist  
19 another in creating or publishing, any media publication or  
20 broadcast, concerning information about the Church of  
21 Scientology, L. Ron Hubbard, or any other persons or entities  
22 released by the Agreement; (2) would maintain "strict  
23 confidentiality and silence" with respect to his alleged  
24 experiences with the Church or any knowledge he might have

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25 <sup>2</sup> The signatories to the Agreement were Gerald Armstrong and  
26 the Church of Scientology International, by its President, Heber  
27 Jentzsch. [Sep.St.Nos. 1, 2.] Mr. Armstrong's signature was  
28 witnessed by JoAnn Richardson and Michael Sutter, and the  
Agreement was signed with approval as to form and content by Mr.  
Armstrong's attorney, Michael Flynn. [Sep.St.Nos. 3, 4.]



concerning the Church, L. Ron Hubbard, or other Scientology-related entities and individuals; (3) would not disclose any documents which related to the Church or other identified entities and individuals; and (4) would pay to the Church \$50,000 in liquidated damages for each disclosure or other breach of that paragraph.<sup>3</sup> Other paragraphs in the Agreement restricted Armstrong's ability to provide voluntary aid or advice to others

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<sup>3</sup> Paragraph 7(D) provides, in relevant part: "Plaintiff [Armstrong] agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. [Armstrong] further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. [Armstrong] expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above... [Armstrong] agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by [Armstrong]."



1 litigating against the Church.<sup>4</sup>

2 The Church had good reason for negotiating these particular  
3 clauses with Armstrong. In addition to his own litigation,  
4 Armstrong fomented significant additional litigation against the  
5 Church and other Churches of Scientology, stirring up enmities of  
6 other former members. Moreover, Armstrong became involved in  
7 plot after clandestine plot to take over or even destroy his  
8 former religion. [Am.Compl., ¶ 3.]

9 Armstrong received substantial consideration from the Church  
10 pursuant to the settlement agreement. Indeed, he boasted to the  
11 media that he received \$800,000, a figure which is uncontested.  
12 [Sep.St.No. 7, 8.]

13 **B. Armstrong's Willing Participation in the Settlement Process**

14 At the time of the settlement, the Church had little reason  
15 to trust Armstrong. Consequently, Church counsel insisted that  
16 Armstrong execute the Agreement on videotape, before several  
17 witnesses and a notary public, with his own lawyer present, in  
18 order to ensure that Armstrong would not later attempt to  
19 invalidate the Agreement through the subterfuge of claims of  
20 duress or the like. During the videotaping, a jovial and relaxed  
21 Armstrong joked with his counsel, and, in a light-hearted mood,  
22 signed the Agreement. Armstrong engaged in the following  
23 colloquy with Church counsel Larry Heller at that time:

24 HELLER: O.K. Ah, Mr. Armstrong, I'm going to ask you to  
25 sign three documents, ah, a Mutual Release of All  
26 Claims and Settlement Agreement, and two separate  
affidavits. Prior to doing so, however, I would like  
to ask you some questions with regard to those

27  
28 <sup>4</sup> See specifically ¶¶ 7(H), 7(G), 10, 7(D), 18(D), 20 of the Agreement. [Exhibit B to Sep. St.]



1 documents, um-hm, excuse me, which I would like you to  
2 answer freely and honestly, if you would. Ah, first of  
3 all, have you had a chance to, ah, completely and  
4 comprehensively review and read these documents?

5 ARMSTRONG: Yeah.

6 HELLER: O.K. Have you had a chance to discuss these  
7 documents with your attorney, Mr. Flynn?

8 ARMSTRONG: Yes.

9 HELLER: Has Mr. Flynn explained these documents as well  
10 as the legal and factual ramifications to you, legal  
11 and practical ramifications to you to your  
12 satisfaction?

13 ARMSTRONG: Uh, I think so, yes.

14 HELLER: O.k. Well, do you have any question of that  
15 whatsoever?

16 ARMSTRONG: No, I have no current questions about it.

17 HELLER: O.k. Very good. You are going to sign these  
18 of your own free will?

19 ARMSTRONG: Yes.

20 HELLER: O.k. You are not suffering from any duress or  
21 coercion which is compelling you to sign these  
22 documents?

23 ARMSTRONG: No.

24 HELLER: All right. You are not presently under the  
25 influence of alcohol or any medication, prescription or  
26 otherwise, which would impede your ability to  
27 comprehend the legal and factual intent of these  
28 documents?

ARMSTRONG: No.

[Sep.St.No. 6.] Armstrong has also admitted that, prior to  
signing the Agreement, he consulted not just Flynn, but at least  
two other lawyers about the Agreement. [Sep.St.No. 5.]

C. Armstrong's Breaches of Paragraph 7(D) of the Agreement

1. Armstrong Violated The Agreement By Providing A  
Declaration About His Experiences With The Church And  
Additional Documents To Anti-Church Litigants Vicki  
And Richard Aznaran



1 Vicki and Richard Aznaran ("the Aznarans"), are former  
2 Church members who were actively engaged in litigation against  
3 the Church and others in 1991. [Sep.St.No. 15.] In June, 1991,  
4 the Aznarans discharged their attorney, Ford Greene, and retained  
5 Joseph A. Yanny to represent them.

6 While counsel for the Aznarans, Yanny hired Armstrong, in  
7 Yanny's own words "as a paralegal to help [Yanny] on the Aznaran  
8 case." [Sep.St.No. 16.] Yanny was well aware that Armstrong was  
9 prohibited from this conduct by the Agreement: Yanny was one of  
10 the attorneys representing the Church at the time that the  
11 Agreement was made. Thereafter, in July, 1991, Yanny was  
12 disqualified from his representation of the Aznarans by the Court  
13 sua sponte, because Yanny had formerly acted as general counsel  
14 for the Church and other related entities, thus rendering his  
15 appearance on behalf of the Aznarans "highly prejudicial" to the  
16 Church. In the same order, the Court reinstated Ford Greene as  
17 the Aznarans' counsel. Armstrong immediately began working for  
18 Ford Greene. Indeed, Greene pressured the Aznarans to pay  
19 Armstrong a monthly stipend for the services which he was  
20 supposedly providing to Greene concerning the Aznarans' case.  
21 [Sep.St.No. 17.]

22 The undisputed evidence -- comprised of Armstrong's own  
23 admissions -- is that on August 26, 1991, while working for  
24 Greene, Armstrong provided the Aznarans with a declaration which  
25 was filed in their case. [Sep.St.No. 18] Armstrong has admitted  
26 that he drafted and signed the declaration, and that the  
27 declaration contains descriptions of some of his alleged  
28 experiences with and knowledge of the Church. [Id.] Armstrong



1 also attached to the declaration, and purported to authenticate,  
2 copies of two documents which concern the Church, the Scientology  
3 religion, and/or other protected entities and individuals. [Id.]  
4 This declaration, and the attached documents, are violations of  
5 Armstrong's agreement, contained in ¶7(D), to maintain strict  
6 confidentiality concerning those matters.

7       **2.   Armstrong Violated The Agreement By**  
8       **Providing A Declaration About His Experiences**  
9       **With The Church And Additional Documents**  
10       **To David Mayo, et al.**

11       The facts are also undisputed that, on May 27, 1992,  
12 Armstrong provided a declaration to attorneys for litigants David  
13 Mayo, Church of the New Civilization, John Nelson, Harvey Haber,  
14 Vivien Zegel and Dede Reisdorf, which was filed in the  
15 consolidated cases of Religious Technology Center, et al. v.  
16 Robin Scott, et al., and Religious Technology Center, et al. v.  
17 Wollersheim, et al., United States District Court for the Central  
18 District of California, Case Nos. CV 85-711 JMI (Bx) and CV 85-  
19 7197 JMI (Bx) ("the Scott case"). [Sep.St.Nos. 23-24.] The  
20 Church and related entities - Church of Scientology of California  
21 and Religious Technology Center - are plaintiffs in the Scott  
22 case. In the declaration, Armstrong purports to authenticate an  
23 earlier declaration which describes some of his alleged  
24 experiences with the Church, as well as a portion of a transcript  
25 which was ordered sealed in the earlier action between the Church  
26 and Armstrong. [Id.] These actions are separate and further  
27 violations of ¶7(D), triggering the liquidated damages remedy.

28       **3.   Armstrong Violated The Agreement**  
29       **By Giving Interviews To The Media**

30       Armstrong also has admitted in deposition that on March 19



1 and 20, 1992, he gave interviews to various reporters, including  
2 a reporter for CNN. In his CNN interview, Armstrong discussed  
3 his alleged experiences with the Church of Scientology. The  
4 interview was videotaped, then broadcast repeatedly on CNN.  
5 [Sep.St.No. 19-21.] In addition, Armstrong has admitted to a  
6 1992 interview with William Horne, a reporter with The American  
7 Lawyer, in which he also discussed his Scientology experiences.  
8 [Sep.St.No. 22.] These interviews constitute a breach of ¶7(D)  
9 of the Agreement.

### 10 III. ARGUMENT

#### 11 A. Armstrong's Liability For The Breaches May Be 12 Determined By Summary Adjudication

13 A motion for summary adjudication "shall be granted if all  
14 the papers submitted show that there is no triable issue as to  
15 any material fact and that the moving party is entitled to a  
16 judgment as a matter of law." Code Civ. Proc. § 437c(c).  
17 Moreover, under a provision recently added to the Code of Civil  
18 Procedure:

19 (n) For purposes of motions for summary judgment  
20 and summary adjudication:

21 (1) a plaintiff or cross-complainant has met his  
22 or her burden of showing that there is no defense to a  
23 cause of action if that party has proved each element  
24 of the cause of action entitling the party to judgment  
25 on that cause of action. Once the plaintiff or cross-  
26 complainant has met that burden, the burden shifts to  
27 the defendant or cross-defendant to show that a triable  
28 issue of one or more material facts exists as to that



1           cause of action.  
2   C.C.P. §437c(n)(1). As demonstrated below, and in the Separate  
3   Statement of Undisputed Facts, the Church has met its burden by  
4   proving, from Armstrong's own admissions, each element of the  
5   causes of action for breach of contract for which summary  
6   adjudication is sought. The burden, accordingly, shifts to  
7   Armstrong to demonstrate that a triable issue of material fact  
8   exists as to plaintiff's claims. Armstrong is simply unable to  
9   meet that burden. He has already admitted the facts of each of  
10   the claimed breaches, and does not dispute that his actions  
11   constitute a breach of the contract, so long as the contract is  
12   enforceable. Moreover, the Court of Appeal has already rejected  
13   each of his claimed affirmative defenses, finding that the  
14   Agreement was fully enforceable against him.<sup>5</sup>

15  
16       <sup>5</sup>   The Court of Appeal described Armstrong's defenses as  
17   follows: "Armstrong did not deny the charged conduct but asserted  
18   the settlement agreement was not enforceable for various reasons,  
19   primarily that it was against public policy and that he signed it  
20   under duress." [Sep.St.No. 12.] The Court rejected all of those  
21   defenses -- including, inter alia, assorted constitutional  
22   claims, lack of mutuality, duress, actual fraud, constructive  
23   fraud, restraint of trade, unclean hands and obstruction of  
24   justice -- most without comment. [Sep.St.No. 13.] In rejecting  
25   Armstrong's First Amendment arguments, the Court stated:

26           Although Armstrong's "freedom of speech" is  
27           affected, it is clear that a party may voluntarily by  
28           contract agree to limit his freedom of speech. (See In  
          re Steinberg (1983) 148 Cal.App.3d 14, 18-20 [filmmaker  
          agreed to prior restraint on distribution of film]; ITT  
          Telecom Products Corp. v. Dooley (1989) 214 Cal.App.3d  
          307, 319 [employee's agreement not to disclose  
          confidential information; "it is possible to waive even  
          First Amendment free speech rights by contract"]; Snepp  
          v. United States (1980) 444 U.S. 507, 509, fn. 3 [book  
          by CIA employee subject to prepublication clearance by  
          terms of his employment contract].)

[Sep.St.No. 14.]



1       Once the moving party has shown the nonexistence of a  
2       factual dispute as to a material fact, the party opposing the  
3       motion can avoid summary adjudication only by presenting evidence  
4       tending to demonstrate that there exists a triable issue of  
5       material fact. See, e.g., University of Southern California v.  
6       Superior Court (1990) 222 Cal.App.3d 1028, 1036, 272 Cal.Rptr.  
7       264, 268-269.

8       Indeed, courts have found that summary adjudication can be  
9       particularly appropriate for a cause of action for breach of a  
10      written contract. "Where there is no conflict as to the terms of  
11      a contract, and where its provisions are not uncertain or  
12      ambiguous, its 'meaning and effect \* \* \* and the relation of the  
13      parties to it thereby created \* \* \* become a question of law to  
14      be decided by the court.'" Nizuk v. Georges (1960) 180  
15      Cal.App.2d 699, 705, 4 Cal.Rptr. 565, 570 (citations omitted)  
16      (Liability under written employment contract properly decided on  
17      motion for summary judgment). Here, the parties agree on the  
18      existence of the written contract between them [Sep.St.No. 1],  
19      and there is no dispute as to its language or terms. The  
20      evidence of the breaches consists of undenied facts presented by  
21      plaintiff and the admissions of the defendant himself. All that  
22      remains to be decided -- the meaning and effect of those terms --  
23      is a question of law for the Court.

24      B.   The Undisputed Evidence Concerning These Three Causes Of  
25      Action Supports A Judgment For Plaintiff In The Combined  
26      Amount of \$150,000 In Liquidated Damages

26      To establish its claim for breach of contract, the Church  
27      must establish, by competent and undisputed evidence, "(1) the  
28      contract, (2) plaintiff's performance or excuse for



1 nonperformance, (3) defendant's breach, and (4) the resulting  
2 damages to plaintiff." Reichert v. General Insurance Company of  
3 America (1968) 68 Cal.2d 822, 830, 69 Cal.Rptr. 321, 325, 462  
4 P.2d 377.

5 Each of these elements is fully established by undisputed  
6 evidence as to plaintiff's Fourth, Sixth and Eleventh Causes of  
7 Action. Armstrong has fully identified and authenticated the  
8 Agreement [Ex. B to Sep.St.] and his signature thereon.  
9 [Sep.St.No. 4.] He has acknowledged that he signed the Agreement  
10 while fully expecting to be paid the settlement figure which he  
11 and his attorney agreed upon, and he has admitted that he  
12 received that amount. [Sep.St.No. 7.] It is also undisputed  
13 that the amount was \$800,000, not a small or nominal sum.  
14 [Sep.St.No. 8.] The payment of money to Armstrong's attorney is  
15 the sole consideration required of plaintiff pursuant to the  
16 Agreement, and it was fully paid within days of the signing of  
17 the Agreement. [Sep.St.Nos. 1,7.]

18 Armstrong's breaches have been detailed in Part II. C,  
19 supra, and are set forth, with their supporting evidence, in the  
20 accompanying separate statement. Each of the acts that  
21 constitute a breach has been admitted by Armstrong, either in his  
22 Answer to the Amended Complaint, in deposition, or both. The  
23 evidence chronicled in the separate statement demonstrates not  
24 one, but three separate, individual breaches of paragraph 7(D) of  
25 the Agreement.

26 The damages suffered by plaintiff by reason of Armstrong's  
27 breaches of paragraph 7(D) of the Agreement are also without  
28 dispute. As part of the Agreement, the parties settled on



1 \$50,000 as liquidated damages, which would compensate plaintiff  
2 for each breach of ¶7(D). Armstrong and his attorney agreed,  
3 when they signed the Agreement, that this was a reasonable  
4 amount. [Sep.St.No. 9.] Under California law, such a liquidated  
5 damages provision is presumed valid unless it is shown to be  
6 "unreasonable under the circumstances existing at the time the  
7 contract was made." Civil Code § 1671(b). Armstrong bears the  
8 burden of demonstrating that the provision was not reasonable  
9 under the circumstances existing when the contract was made. He  
10 has proffered no evidence of this, nor can he. The clause can,  
11 and must, be enforced. O'Connor v. Televideo System, Inc. (1990)  
12 218 Cal.App.3d 709, 718, 267 Cal.Rptr. 237.

13 CONCLUSION

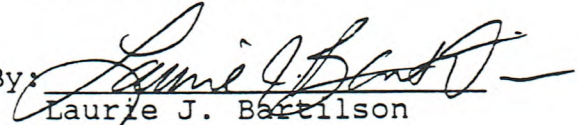
14 Armstrong has admitted to three separate breaches of the  
15 Agreement which require him to pay the Church a combined amount  
16 of \$150,000 in liquidated damages. There are no disputed issues  
17 of fact as to any of the elements of plaintiff's claims.  
18 Plaintiff is, accordingly, entitled to summary adjudication of  
19 its Fourth, Sixth, and Eleventh Causes of Action, and it is  
20 entitled to entry of judgment on those claims in the amount of  
21 \$150,000.

22 Dated: August 2, 1994

Respectfully submitted,

23 Andrew H. Wilson  
24 WILSON, RYAN & CAMPILONGO

25 BOWLES & MOXON

26 By:   
Laurie J. Bartilson

27 Attorneys for Plaintiff  
28 CHURCH OF SCIENTOLOGY INTERNATIONAL







L. DHR 11-11-94  
A. Wilson 54-0938

953-3351

F 456-5318

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA  
CIVIL CALENDAR AND MINUTES

RULINGS

DATE: FRI. JUNE 17, 1994 TIME: 9:00 REPORTER: J. KNETZGER  
OPPOSITION DUE: 6/10/94 JUDGE: GARY W. THOMAS CLERK: J. BENASSINI  
REPLY DUE: 6/15/94 DEPT. NO. 1 COMPLETED:

CASE NO.	TITLE OF ACTION	PROCEEDING	ATTORNEY
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18) 157680 CHURCH OF SCIENTOLOGY INTL.  
V  
GERALD ARMSTRONG, ET AL

463-4395

THE DEMURRER TO THE SECOND AMENDED CROSS-COMPLAINT ON THE GROUND OF FAILURE TO STATE FACTS SUFFICIENT TO CONSTITUTE A CAUSE OF ACTION IS OVERRULED. THE COURT AGREES THAT THE MAJORITY OF THE ALLEGATIONS ARE INSUFFICIENT AS WILL BE SHOWN BELOW. HOWEVER, TWO ALLEGATIONS SURVIVE CROSS-DEFENDANT'S CHALLENGE. IN PARAGRAPH 69, CROSS-COMPLAINANT ALLEGES THE FILING OF A FALSE DECLARATION IN A FEDERAL DISTRICT COURT ACTION. CONTRARY TO CROSS-DEFENDANT'S ARGUMENT, IT CANNOT BE DETERMINED FROM THE FACE OF THE COMPLAINT OR JUDICIALLY NOTICED MATTERS THAT THE ABSOLUTE JUDICIAL PRIVILEGE APPLIES. ALTHOUGH CROSS-DEFENDANT PROVIDES A COPY OF THE DECLARATION, THE COURT CANNOT NOTICE THE TRUTH OF STATEMENTS MADE IN THAT DECLARATION. (SEE SOSINSKY V. GRANT (1992) 6 CAL.APP.4TH 1548, 1564.) EVEN IF THE COURT COULD JUDICIALLY NOTICE THE TRUTH OF THE DECLARATION, CROSS-DEFENDANT HAS FAILED TO SHOW HOW STATEMENTS ABOUT CROSS-COMPLAINANT, A NON-PARTY TO THAT ACTION, WERE MADE TO ACHIEVE THE OBJECTS OF THE LITIGATION OR WERE RELEVANT OR CONNECTED. IN PARAGRAPH 73, CROSS-COMPLAINANT ALLEGES USE OF THE DISCOVERY PROCESS TO OBTAIN INFORMATION FOR IMPROPER PURPOSES. CROSS-DEFENDANT'S PRIVILEGE ARGUMENT FAILS IN THAT THE ALLEGATION DOES NOT INVOLVE COMMUNICATION. THE ALLEGATIONS SUPPORTS A CLAIM OF ABUSE OF PROCESS. (SEE YOUNGER V. SOLOMON (1974) 38 CAL.APP.3D 289, 296-298.) THE REMAINING ALLEGATIONS ARE DEFICIENT AS FOLLOWS:

¶59 - CONCLUSORY

¶¶60-62 - BACKGROUND ALLEGATIONS. OTHERWISE BARRED BY STATUTE OF LIMITATIONS. (RAPPEL V. BARTLETT (1988) 200 CAL.APP.3D 1457, 1467.)

¶¶64-67 - NO USE OF "PROCESS." ALLEGATIONS DO NOT SHOW ACTION TAKEN PURSUANT TO JUDICIAL AUTHORITY OR WITH REFERENCE TO THE POWER OF THE COURT. (SEE ADAMS V. SUPERIOR COURT (1992) 2 CAL.APP.4TH 521, 530.)

¶68 - NO ACTION TAKEN AGAINST CROSS-COMPLAINANT.

¶69 (ALLEGATION RE: PURSUIT OF LIQUIDATED DAMAGES) - MERE MAINTENANCE OF LAWSUIT FOR IMPROPER PURPOSE IS NOT AN ABUSE OF PROCESS. (OREN ROYAL OAKS VENTURE V. GREENBERG, BERNHARD, WEISS & KARMA, INC. (1986) 42 CAL.3D 1157, 1169.)

(CONTINUED ON PAGE 5-B-1.)



PERIOR COURT, MARIN COUNTY, CA ORNIA  
CIVIL CALENDAR AND MINUTES

## RULINGS

DATE: FRI. JUNE 17, 1994 TIME: 9:00 REPORTER: J. KNETZGER  
OPPOSITION DUE: 6/10/94 JUDGE: GARY W. THOMAS CLERK: J. BENASSINI.  
REPLY DUE: 6/15/94 DEPT. NO. 1 COMPLETED: \_\_\_\_\_

CASE NO.	TITLE OF ACTION	PROCEEDING	ATTORNEY
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18) 157680 CONTINUED: CHURCH OF SCIENTOLOGY V. ARMSTRONG

¶170-72 - NO USE OF "PROCESS."

¶173 (ALLEGATION RE: REFUSAL TO ACKNOWLEDGE PROOF) - NO USE OF "PROCESS."

¶174 - PURSUIT OF LITIGATION FOR IMPROPER PURPOSE NOT AN ABUSE OF PROCESS. (OREN ROYAL OAKS VENTURE, SUPRA, 42 CAL.3D AT 1169.)

THE DEMURRER ON THE GROUND OF ANOTHER ACTION PENDING IS OVERRULED. THE CLAIMS IN THIS ACTION ARE NOT IDENTICAL TO THOSE IN THE LOS ANGELES ACTIONS IN THAT THE CLAIMS IN THIS ACTION INVOLVE CROSS-DEFENDANT'S CONDUCT IN THIS ACTION, NOT THE LOS ANGELES ACTIONS.

THE MOTION TO STRIKE IS GRANTED AS TO PARAGRAPHS 9 THROUGH 54. THOSE ALLEGATIONS ARE BACKGROUND AND ARE NOT ESSENTIAL TO THE STATEMENT OF CROSS-COMPLAINANT'S ABUSE OF PROCESS CLAIM. (CODE CIV. PROC., § 431.10.)

TOTAL P.02

TOTAL P.03  
PAGE.03







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Attorneys for Plaintiff and  
Cross-Defendant CHURCH OF SCIENTOLOGY  
INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California not-  
for-profit religious corporation,

Plaintiffs,

vs.

GERALD ARMSTRONG; THE GERALD  
ARMSTRONG CORPORATION, a  
California corporation; Does 1 -  
25 INCLUSIVE,

Defendants.

AND RELATED CROSS-COMPLAINT.

80

ORIGINAL FILED

SEP - 1 1994

LOS ANGELES  
SUPERIOR COURT

CASE NO. BC 052395

STIPULATION AND ORDER  
CHANGING VENUE

[C.C.P. §397(c)]

Hearing:

DATE:

TIME: 8:30 A.M.

DEPT: 30

TRIAL DATE: Nov. 7, 1994

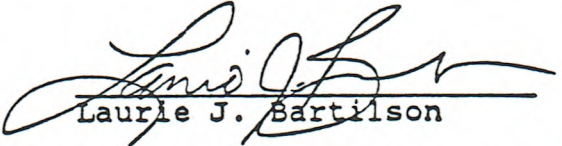
DISC. CUTOFF: Oct. 7, 1994

MTN CUTOFF: Oct. 21, 1994



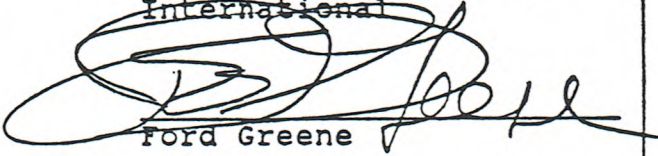
1 The parties agree that (1) the place of trial of this action  
2 be changed to the Superior Court of Marin County for the purpose  
3 of consolidation with the pending case of Church of Scientology  
4 International v. Gerald Armstrong, et al., Marin County Superior  
5 Court Case No. 157680; (2) payment of costs and fees of the  
6 transfer be made by plaintiff Church of Scientology  
7 International; (3) all orders previously entered in this action  
8 shall remain in full force and effect before, during and after  
9 the transfer and the Superior Court of Marin County shall be the  
10 proper Court for enforcement of those orders; and (4) discovery  
11 in the case shall continue while the transfer is pending.

12  
13 Dated: August 18, 1994

  
Laurie J. Bartilson

Attorney for Plaintiff  
Church of Scientology  
International

14  
15  
16  
17 Dated: August 18, 1994

  
Ford Greene

Attorney for Defendants  
Gerald Armstrong and the  
Gerald Armstrong  
Corporation

18  
19  
20  
21  
22 ORDER

23 The parties having agreed, and good cause appearing,

24 IT IS ORDERED THAT:

25 1. Church of Scientology International v. Gerald  
26 Armstrong, et al., Case No. BC 052395, be transferred to the  
27 Superior Court of Marin County on payment by plaintiff, Church of  
28 Scientology International, of all fees required by law.



1           2.    The court clerk transmit a certified copy of this order  
2 and all the pleadings and papers filed in this action to the  
3 clerk of the Superior Court of Marin County forthwith.

4           3.    All orders previously entered in this action shall  
5 remain in full force and effect before, during and after the  
6 transfer and the Superior Court of Marin County shall be the  
7 proper Court for enforcement of those orders; and

8           4.    Discovery in the case shall continue while the transfer  
9 is pending.

10                       SEP - 1 1994

David A. Horowitz

11 Date: \_\_\_\_\_

Superior Court Judge

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14 Attorneys for Plaintiff  
15 CHURCH OF SCIENTOLOGY  
16 INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY	)	CASE NO. 157 680
20 INTERNATIONAL, a California not-	)	
21 for-profit religious corporation,	)	[PROPOSED] ORDER
	)	RE JOINT MOTION FOR
	)	CONSOLIDATION AND
	)	CONTINUANCE OF TRIAL DATE
22 Plaintiff,	)	
	)	
23 vs.	)	
	)	
	)	
	)	TRIAL DATE: May 18, 1995
24 GERALD ARMSTRONG; DOES 1 through	)	
25 25, inclusive,	)	
	)	
26 Defendants.	)	
	)	
	)	

27 The joint motion of plaintiff Church of Scientology  
28 International ("Church") and defendants Gerald Armstrong and  
Gerald Armstrong Corporation for consolidation and continuance of  
trial date is GRANTED. The new trial date is May 18, 1995 at  
10:00 a.m. The old trial date of September 29, 1994, is vacated.

FILED

OCT 25 1994

HONORABLE JUDGE  
MARIN COUNTY CLERK  
BY: E. Karpishch, Deputy



1 The new settlement conference date is May 8, 1995 at 9:00 a.m.  
2 The old settlement conference date of September 19, 1994 is  
3 vacated.

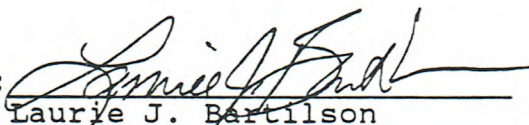
4 Dated: ~~September~~ <sup>Oct</sup> 2<sup>e</sup>, 1994

6 GARY E. THOMAS  
7 GARY W. THOMAS  
8 Judge of the Superior Court

8 Submitted by:

9 Andrew H. Wilson  
10 WILSON, RYAN & CAMPILONGO

11 BOWLES & MOXON

13 By:   
14 Laurie J. Bartilson

15 Attorneys for Plaintiff  
16 CHURCH OF SCIENTOLOGY  
INTERNATIONAL

17 APPROVED AS TO FORM:

18  
19 By: \_\_\_\_\_  
20 Ford Greene, Esq.  
21 HUB LAW OFFICES  
22 Attorney for Defendants  
GERALD ARMSTRONG and THE GERALD  
ARMSTRONG CORPORATION

23  
24 By: \_\_\_\_\_  
25 Michael Walton, Esq.  
26 Pro Se  
27  
28



EXHIBIT AA



**Defendants.**



1        This matter came on for hearing on September 9, 1994, on  
2 motion of plaintiff Church of Scientology International  
3 ("Church") for Summary Judgment on Gerald Armstrong's Cross-  
4 complaint, and on motion of defendant, Gerald Armstrong  
5 ("Armstrong") for Summary Judgment or, alternatively, Summary  
6 Adjudication on the Church's Complaint. Church appeared by its  
7 attorneys, Andrew H. Wilson of Wilson, Ryan & Campilongo and  
8 Laurie J. Bartilson of Bowles & Moxon, Armstrong appeared by his  
9 attorney, Ford Greene. Having read and considered the moving and  
10 opposing papers, and the evidence and arguments presented therein  
11 and at the hearing, and good cause appearing:

12        IT IS ORDERED:

13        1.    The motion of plaintiff/Cross-defendant Church of  
14 Scientology International for summary judgment on the cross-  
15 complaint of Gerald Armstrong is GRANTED.

16        2.    Armstrong's claim based on the Miscavige declaration is  
17 barred by the absolute judicial privilege of Civil Code Section  
18 47, Subdivision (b). The declaration was provided in a judicial  
19 proceeding. (See Second Amended Cross-Complaint, ¶69.) The  
20 communication was made by a participant authorized by law  
21 (Undisputed Fact 7). Contrary to Armstrong's argument, the  
22 communication was made "to achieve the objects of the litigation:  
23 and has "some connection or logical relation to the action." (See  
24 Undisputed Facts 4 and 5.) Armstrong attempts to raise a triable  
25 issue of fact by showing that the Miscavige declaration was  
26 submitted in connection with a discovery related matter while the  
27 Young declaration was submitted in connection with a summary  
28 judgment motion. This evidence is not sufficient to raise a



1 triable issue. First, Armstrong cites no evidence showing the  
2 context in which Young's declaration was submitted. Second, and  
3 more importantly, "proceeding" is not limited to the particular  
4 issue before the court at that moment. (See Radar v. Thrasher  
5 (1972) 22 Cal.App.3d 883, 889.) The statements by Miscavige go  
6 to Armstrong's motives and credibility in testifying as to the  
7 matters set forth in the narrative statement. (See Undisputed  
8 Fact 5.) Thus, there is "some connection" to the Fishman action,  
9 and by its action in submitting the declaration, Church is  
10 clearly trying to achieve an object of the litigation by having  
11 the trier of fact not believe Armstrong.

12 3. Armstrong's claim based on misuse of financial records  
13 obtained through discovery fails. Church's evidence shows that  
14 it used the financial records only to prepare for trial in this  
15 action. (Fact 17, citing Exhibits 3 and 4.) Armstrong's efforts  
16 to raise a triable issue fail. First, his attempt to show a  
17 violation of a protective order is not sufficient in that it does  
18 not show any efforts by Church to "accomplish[] . . . an improper  
19 purpose" or to "obtain an unjustifiable collateral advantage".  
20 (i.e., no "use" of the discovery documents). (Younger v. Solomon  
21 (1974) 38 Cal.App.3d 289, 297.) Second, his evidence regarding  
22 the document titled "Who is Gerald Armstrong?" is not sufficient  
23 in that it does not show that any statement in that document was  
24 based on his personal financial information. In fact, every  
25 statement in the document was contained in Church's original  
26 complaint. (Compare Exhibit 1(N), p. 4 with Complaint, ¶¶ 2 and  
27 39.)

28 4. Armstrong's motion for summary judgment or,



1 alternatively, summary adjudication on Church's complaint is  
2 DENIED. First, Church brings this action under Civil Code  
3 Section 3439.04, not 3439.05 (See Complaint ¶¶ 29-31, 36-38);  
4 thus, proof of insolvency is not required. Second, the truth or  
5 falsity of Armstrong's religious beliefs are not relevant in  
6 determining, for example, whether Armstrong received "reasonably  
7 equivalent" consideration and whether he knew or should have  
8 known he would incur a debt to Church beyond his ability to pay.  
9 (§ 3439.04, Subd. (b).) Third, this action does not require the  
10 court to establish any religion. The religious beliefs of the  
11 parties are irrelevant in determining the issues in this action.

12 5. Armstrong filed many of his opposition papers three  
13 days late (due 8/26, filed 8/29). The court has considered the  
14 late filed papers. However, Armstrong shall pay sanctions in the  
15 amount of \$49, payable to the clerk of the court within 10 days.

16 Dated: ~~September~~ <sup>Oct</sup> 28, 1994

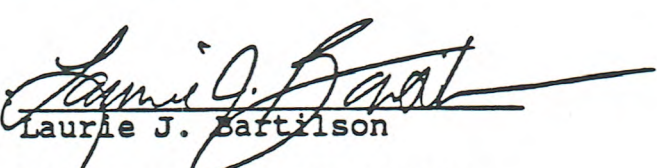
17 GARY W. THOMAS

18 \_\_\_\_\_  
19 GARY W. THOMAS  
20 Judge of the Superior Court

21 Submitted by:

22 Andrew H. Wilson  
23 WILSON, RYAN & CAMPILONGO

24 BOWLES & MOXON

25 By:   
26 Laurie J. Bartilson

27 Attorneys for Plaintiff  
28 CHURCH OF SCIENTOLOGY  
INTERNATIONAL



1 APPROVED AS TO FORM:

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By: Ford Greene, Esq.  
HUB LAW OFFICES  
Attorney for Defendants  
GERALD ARMSTRONG and THE GERALD  
ARMSTRONG CORPORATION

By: Michael Walton, Esq.  
Pro Se



EXHIBIT BB



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Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY	)	CONSOLIDATED CASE NO.
INTERNATIONAL, a California not-	)	157 680
for-profit religious corporation,	)	
Plaintiff,	)	PLAINTIFF'S NOTICE OF
	)	MOTION AND MOTION FOR
vs.	)	SUMMARY ADJUDICATION OF THE
	)	FOURTH, SIXTH AND ELEVENTH
	)	CAUSES OF ACTION OF
GERALD ARMSTRONG; DOES 1 through	)	PLAINTIFF'S SECOND AMENDED
25, inclusive,	)	COMPLAINT
	)	
Defendants.	)	DATE: December 23, 1994
	)	TIME: 9:00 a.m.
	)	CALENDAR: Law & Motion
AND RELATED CROSS-ACTIONS AND	)	DEPT: 1
CONSOLIDATED ACTION	)	
	)	TRIAL DATE: May 18, 1995

FILED

NOV 16 1994

HOWARD HANSON  
MARIN COUNTY CLERK  
by M. Louten, Deputy



1 PLEASE TAKE NOTICE that on December 2, 1994, at 9:00 a.m.,  
2 or as soon thereafter as may be heard in Department 1 of the  
3 above-entitled Court located at the Hall of Justice, 3501 Civic  
4 Center Dr., San Rafael, California 94908-4177, plaintiff Church  
5 of Scientology International ("the Church") will move this Court  
6 to issue an order granting summary adjudication of plaintiff's  
7 Fourth, Sixth and Eleventh Causes of Action (for breach of  
8 contract resulting in liquidated damages) in favor of the Church,  
9 pursuant to California Code of Civil Procedure Section 437c.  
10 This Motion is made on the grounds that there is no triable issue  
11 of any material fact relevant to plaintiff's enumerated claims  
12 for breach of contract, and that the Church is entitled to  
13 judgment on those causes of action as a matter of law.

14 This Motion is based on this Notice of Motion and Motion,  
15 the pleadings, records and files herein, the accompanying  
16 Memorandum of Points and Authorities, the declarations and  
17 exhibits filed herewith, the accompanying Separate Statement of  
18 Undisputed Material Facts, and such other evidence as may be  
19 adduced properly at the hearing of this Motion.

20 Dated: October \_\_, 1994

Respectfully submitted,

21 Laurie J. Bartilson  
22 BOWLES & MOXON

23 WILSON, RYAN & CAMPILONGO

24  
25 By: \_\_\_\_\_  
Andrew H. Wilson

26 Attorneys for Plaintiff  
27 CHURCH OF SCIENTOLOGY  
28 INTERNATIONAL



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14 Hollywood, CA 90028  
15 (213) 953-3360  
16 (213) 953-3351 (fax)

17 Attorneys for Plaintiff  
18 CHURCH OF SCIENTOLOGY  
19 INTERNATIONAL

20 SUPERIOR COURT OF THE STATE OF CALIFORNIA

21 FOR THE COUNTY OF MARIN

22 CHURCH OF SCIENTOLOGY  
23 INTERNATIONAL, a California not-  
24 for-profit religious corporation,

25 Plaintiff,

26 vs.

27 GERALD ARMSTRONG; DOES 1 through  
28 25, inclusive,

Defendants.

29 AND RELATED CROSS-ACTIONS AND  
30 CONSOLIDATED ACTION

FILED

NOV 16 1994

HOWARD HANSON  
MARIN COUNTY CLERK  
by M. Louten, Deputy

) CONSOLIDATED CASE NO.  
) 157 680  
)  
) PLAINTIFF'S MEMORANDUM OF  
) POINTS AND AUTHORITIES IN  
) SUPPORT OF MOTION FOR  
) SUMMARY ADJUDICATION OF THE  
) FOURTH, SIXTH AND ELEVENTH  
) CAUSES OF ACTION OF  
) PLAINTIFF'S SECOND AMENDED  
) COMPLAINT  
)  
) DATE: December 23, 1994  
) TIME: 9:00 a.m.  
) CALENDAR: Law & Motion  
) DEPT: 1  
)  
) TRIAL DATE: May 18, 1995



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TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
I. PRELIMINARY STATEMENT . . . . .	2
II. STATEMENT OF FACTS . . . . .	5
A. The Settlement Agreement . . . . .	5
B. Armstrong's Willing Participation in the Settlement Process . . . . .	7
C. Armstrong's Breaches of Paragraph 7(D) of the Agreement . . . . .	9
1. Armstrong Violated The Agreement By Providing A Declaration About His Experiences With The Church And Additional Documents To Anti- Church Litigants Vicki And Richard Aznaran . .	9
2. Armstrong Violated The Agreement By Providing A Declaration About His Experiences With The Church And Additional Documents To David Mayo, et al. . . . .	10
3. Armstrong Violated The Agreement By Giving Interviews To The Media . . . . .	11
III. ARGUMENT . . . . .	11
A. Armstrong's Liability For The Breaches May Be Determined By Summary Adjudication . . . . .	11
B. The Undisputed Evidence Concerning These Three Causes Of Action Supports A Judgment For Plaintiff In The Combined Amount of \$150,000 In Liquidated Damages . . . . .	13
CONCLUSION . . . . .	15



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TABLE OF AUTHORITIES

<u>CASES</u>	<u>PAGE</u>
<u>Nizuk v. Georges</u> (1960) 180 Cal.App.2d 699, 4 Cal.Rptr. 565 . . . . .	13
<u>O'Connor v. Televideo System, Inc.</u> (1990) 218 Cal.App.3d 709, 267 Cal.Rptr. 237 . . . . .	15
<u>Reichert v. General Insurance Company of America</u> (1968) 68 Cal.2d 822, 69 Cal.Rptr. 321, 462 P.2d 377. . . . .	14
<u>University of Southern California v. Superior Court,</u> 222 Cal.App.3d 1028, 272 Cal.Rptr. 264 (1990) . . . . .	13
 <u>OTHER</u>	
C.C.P. §437c(n)(1) . . . . .	12
Code Civ. Proc. § 437c . . . . .	11
Gov.Code § 53069.85. . . . .	15



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1 pursuant to the Agreement. [Sep.St.Nos. 9-10.] The facts are  
2 undisputed, however, that Armstrong has breached the Agreement  
3 repeatedly, as set forth in detail in the Second Amended  
4 Complaint. Many of those breaches involved disclosures by  
5 Armstrong about his alleged experiences in and with Scientology,  
6 which paragraph 7(D) of the Agreement provides entitles CSI to  
7 liquidated damages. With this motion, CSI seeks summary  
8 adjudication that it is entitled to the payment by Armstrong of  
9 liquidated damages in the aggregate amount of \$150,000, for three  
10 of the admitted breaches of the Agreement which are undisputed:

11 - In August, 1991, Armstrong provided a declaration to  
12 litigants suing the Church which purports to describe his  
13 experiences with the Church of Scientology [Second Amended  
14 Complaint ("Am.Cmplt."), Fourth Cause of Action];<sup>2</sup>

15 - In May, 1992, Armstrong provided a declaration to still  
16 more anti-Church litigants which claimed to authenticate an  
17 earlier affidavit, prepared by Armstrong, which described  
18 Armstrong's alleged experiences with the Church of Scientology  
19 [Am.Cmplt., Eleventh Cause of Action]; and

20 - In March, 1992, Armstrong provided interviews to various  
21 media, including, inter alia, Cable News Network (CNN) and The  
22 American Lawyer, in which he discussed, inter alia, his  
23 experiences with the Church of Scientology [Am.Cmplt., Sixth  
24 Cause of Action].

---

25 <sup>2</sup> The operative complaint herein is the Second Amended  
26 Complaint, which consolidated two separate complaints by order of  
27 the Court and was filed and served on April 5, 1994. [Request  
28 for Judicial Notice, Ex. F.] Armstrong has never answered this  
complaint, and is in clerk's default. [Request for Judicial  
Notice, Ex. G.]



1 Armstrong does not contest the facts which comprise these  
2 breaches; indeed, he has admitted that he did each of the actions  
3 which plaintiff alleges. Nor does he contest that the actions  
4 are breaches of the written agreement. Throughout this  
5 litigation, Armstrong has argued solely that, although he  
6 received full and substantial consideration from the Church, he  
7 should be excused from his performance of the contract.

8 Armstrong's central argument has been that, in his view, the  
9 contract violated "public policy" because it interfered with his  
10 First Amendment rights, and because his lawyer had improperly  
11 pressured him to sign the Agreement. Armstrong has listed a  
12 large panoply of "affirmative defenses," all of which were argued  
13 extensively both to Judge Sohigian and on appeal. After  
14 discarding Armstrong's First Amendment argument, noting that  
15 "[a]lthough Armstrong's 'freedom of speech is affected, it is  
16 clear that a party may voluntarily by contract agree to limit his  
17 freedom of speech," the court of appeal "decline[d] any extended  
18 discussion" of Armstrong's remaining "shotgun-style" arguments,  
19 and found that he was incapable of bearing his burden of  
20 demonstrating why the agreement should not be enforced.

21 [Sep.St.No. 11, 12, 13, 14.]

22 Armstrong raised these arguments early in the litigation,  
23 when the Church sought a preliminary injunction, arguing  
24 unsuccessfully to both the trial court and the court of appeal  
25 that his list of accusatory affirmative defenses should negate  
26 his contractual obligations. Just as the court of appeal  
27 rejected Armstrong's lengthy list of complaints about the  
28 contract, finding that the Church could, indeed, enforce the



1 Agreement by means of preliminary injunction, so must this Court  
2 reject those same tired arguments when they are offered as  
3 excuses for Armstrong's repeated and deliberate breaches of the  
4 agreement.

5 With no facts in dispute, interpretation of the meaning and  
6 effect of the contractual provisions which provide the Church  
7 with a remedy for these breaches is a matter of law for the  
8 Court, and the Fourth, Sixth and Eleventh Causes of Action may be  
9 adjudicated in the Church's favor on a motion for summary  
10 adjudication.

## 11 II. STATEMENT OF FACTS

### 12 A. The Settlement Agreement

13 In December, 1986, the Church entered into the Agreement  
14 with Armstrong. The Agreement provided for a mutual release and  
15 waiver of all claims arising out of a cross-complaint which  
16 defendant Armstrong had filed in Church of Scientology of  
17 California v. Gerald Armstrong, Los Angeles Superior Court No.  
18 C420153.<sup>3</sup> The Agreement contains various provisions designed to  
19 guarantee that new actions were not spawned or encouraged by the  
20 conclusion of the old one. In particular, with respect to the  
21 causes of action at issue in this motion, paragraph 7(D) provides  
22 that Armstrong: (1) would not create or publish, or assist  
23 another in creating or publishing, any media publication or  
24 broadcast, concerning information about the Church of

---

25 <sup>3</sup> The signatories to the Agreement were Gerald Armstrong and  
26 the Church of Scientology International, by its President, Heber  
27 Jentzsch. [Sep.St.Nos. 1, 2.] Mr. Armstrong's signature was  
28 witnessed by JoAnn Richardson and Michael Sutter, and the  
Agreement was signed with approval as to form and content by Mr.  
Armstrong's attorney, Michael Flynn. [Sep.St.Nos. 3, 4.]



1 Scientology, L. Ron Hubbard, or any other persons or entities  
2 released by the Agreement; (2) would maintain "strict  
3 confidentiality and silence" with respect to his alleged  
4 experiences with the Church or any knowledge he might have  
5 concerning the Church, L. Ron Hubbard, or other Scientology-  
6 related entities and individuals; (3) would not disclose any  
7 documents which related to the Church or other identified  
8 entities and individuals; and (4) would pay to the Church \$50,000  
9 in liquidated damages for each disclosure or other breach of that  
10 paragraph.<sup>4</sup> Other paragraphs in the Agreement restricted

11  
12 <sup>4</sup> Paragraph 7(D) provides, in relevant part: "Plaintiff  
13 [Armstrong] agrees never to create or publish or attempt to  
14 publish, and/or assist another to create for publication by means  
15 of magazine, article, book or other similar form, any writing or  
16 to broadcast or to assist another to create, write, film or video  
17 tape or audio tape any show, program or movie, or to grant  
18 interviews or discuss with others, concerning their experiences  
19 with the Church of Scientology, or concerning their personal or  
20 indirectly acquired knowledge or information concerning the  
21 Church of Scientology, L. Ron Hubbard or any of the  
22 organizations, individuals and entities listed in Paragraph 1  
23 above. [Armstrong] further agrees that he will maintain strict  
24 confidentiality and silence with respect to his experiences with  
25 the Church of Scientology and any knowledge or information he may  
26 have concerning the Church of Scientology, L. Ron Hubbard, or any  
27 of the organizations, individuals and entities listed in  
28 Paragraph 1 above. [Armstrong] expressly understands that the  
non-disclosure provisions of this subparagraph shall apply, inter  
alia, but not be limited, to the contents or substance of his  
complaint on file in the action referred to in Paragraph 1  
hereinabove or any documents as defined in Appendix "A" to this  
Agreement, including but not limited to any tapes, films,  
photographs, recastings, variations or copies of any such  
materials which concern or relate to the religion of Scientology,  
L. Ron Hubbard, or any of the organizations, individuals, or  
entities listed in Paragraph 1 above... [Armstrong] agrees that  
if the terms of this paragraph are breached by him, that CSI and  
the other Releasees would be entitled to liquidated damages in  
the amount of \$50,000 for each such breach. All monies received  
to induce or in payment for a breach of this Agreement, or any  
part thereof, shall be held in a constructive trust pending the  
outcome of any litigation over said breach. The amount of  
liquidated damages herein is an estimate of the damages each

(continued...)



1 Armstrong's ability to provide voluntary aid or advice to others  
2 litigating against the Church.<sup>5</sup>

3 The Church had good reason for negotiating these particular  
4 clauses with Armstrong. In addition to his own litigation,  
5 Armstrong fomented significant additional litigation against the  
6 Church and other Churches of Scientology, stirring up enmities of  
7 other former members. Moreover, Armstrong became involved in  
8 plot after clandestine plot to take over or even destroy his  
9 former religion. [Am.Compl., ¶ 3.]

10 Armstrong received substantial consideration from the Church  
11 pursuant to the settlement agreement. Indeed, he boasted to the  
12 media that he received \$800,000, a figure which is uncontested.  
13 [Sep.St.No. 7, 8.]

14 **B. Armstrong's Willing Participation in the Settlement Process**

15 At the time of the settlement, the Church had little reason  
16 to trust Armstrong. Consequently, Church counsel insisted that  
17 Armstrong execute the Agreement on videotape, before several  
18 witnesses and a notary public, with his own lawyer present, in  
19 order to ensure that Armstrong would not later attempt to  
20 invalidate the Agreement through the subterfuge of claims of  
21 duress or the like. During the videotaping, a jovial and relaxed  
22 Armstrong joked with his counsel, and, in a light-hearted mood,  
23 signed the Agreement. Armstrong engaged in the following

24 \_\_\_\_\_  
25 <sup>4</sup>(...continued)  
26 party would suffer in the event this Agreement is breached. The  
27 reasonableness of the amount of such damages are hereto  
28 acknowledged by [Armstrong]."

<sup>5</sup> See specifically ¶¶ 7(H), 7(G), 10, 7(D), 18(D), 20 of the  
Agreement. [Exhibit B to Sep. St.]



1 colloquy with Church counsel Larry Heller at that time:

2 HELLER: O.K. Ah, Mr. Armstrong, I'm going to ask you to  
3 sign three documents, ah, a Mutual Release of All  
4 Claims and Settlement Agreement, and two separate  
5 affidavits. Prior to doing so, however, I would like  
6 to ask you some questions with regard to those  
documents, um-hm, excuse me, which I would like you to  
answer freely and honestly, if you would. Ah, first of  
all, have you had a chance to, ah, completely and  
comprehensively review and read these documents?

7 ARMSTRONG: Yeah.

8 HELLER: O.K. Have you had a chance to discuss these  
9 documents with your attorney, Mr. Flynn?

10 ARMSTRONG: Yes.

11 HELLER: Has Mr. Flynn explained these documents as well  
12 as the legal and factual ramifications to you, legal  
and practical ramifications to you to your  
satisfaction?

13 ARMSTRONG: Uh, I think so, yes.

14 HELLER: O.k. Well, do you have any question of that  
15 whatsoever?

16 ARMSTRONG: No, I have no current questions about it.

17 HELLER: O.k. Very good. You are going to sign these  
of your own free will?

18 ARMSTRONG: Yes.

19 HELLER: O.k. You are not suffering from any duress or  
20 coercion which is compelling you to sign these  
documents?

21 ARMSTRONG: No.

22 HELLER: All right. You are not presently under the  
23 influence of alcohol or any medication, prescription or  
24 otherwise, which would impede your ability to  
comprehend the legal and factual intent of these  
documents?

25 ARMSTRONG: No.

26 [Sep.St.No. 6.] Armstrong has also admitted that, prior to  
27 signing the Agreement, he consulted not just Flynn, but at least  
28 two other lawyers about the Agreement. [Sep.St.No. 5.]



1 C. Armstrong's Breaches of Paragraph 7(D) of the Agreement

2 1. Armstrong Violated The Agreement By Providing A  
3 Declaration About His Experiences With The Church And  
4 Additional Documents To Anti-Church Litigants Vicki  
5 And Richard Aznaran

6 Vicki and Richard Aznaran ("the Aznarans"), are former  
7 Church members who were actively engaged in litigation against  
8 the Church and others in 1991. [Sep.St.No. 15.] In June, 1991,  
9 the Aznarans discharged their attorney, Ford Greene, and retained  
10 Joseph A. Yanny to represent them.

11 While counsel for the Aznarans, Yanny hired Armstrong, in  
12 Yanny's own words "as a paralegal to help [Yanny] on the Aznaran  
13 case." [Sep.St.No. 16.] Yanny was well aware that Armstrong was  
14 prohibited from this conduct by the Agreement: Yanny was one of  
15 the attorneys representing the Church at the time that the  
16 Agreement was made. Thereafter, in July, 1991, Yanny was  
17 disqualified from his representation of the Aznarans by the Court  
18 sua sponte, because Yanny had formerly acted as general counsel  
19 for the Church and other related entities, thus rendering his  
20 appearance on behalf of the Aznarans "highly prejudicial" to the  
21 Church. In the same order, the Court reinstated Ford Greene as  
22 the Aznarans' counsel. Armstrong immediately began working for  
23 Ford Greene. Indeed, Greene pressured the Aznarans to pay  
24 Armstrong a monthly stipend for the services which he was  
25 supposedly providing to Greene concerning the Aznarans' case.  
26 [Sep.St.No. 17.]

27 The undisputed evidence -- comprised of Armstrong's own  
28 admissions -- is that on August 26, 1991, while working for  
Greene, Armstrong provided the Aznarans with a declaration which



1 was filed in their case. [Sep.St.No. 18] Armstrong has admitted  
2 that he drafted and signed the declaration, and that the  
3 declaration contains descriptions of some of his alleged  
4 experiences with and knowledge of the Church. [Id.] Armstrong  
5 also attached to the declaration, and purported to authenticate,  
6 copies of two documents which concern the Church, the Scientology  
7 religion, and/or other protected entities and individuals. [Id.]  
8 This declaration, and the attached documents, are violations of  
9 Armstrong's agreement, contained in ¶7(D), to maintain strict  
10 confidentiality concerning those matters.

11       2.     Armstrong Violated The Agreement By  
12             Providing A Declaration About His Experiences  
13             With The Church And Additional Documents  
              To David Mayo, et al.

14       The facts are also undisputed that, on May 27, 1992,  
15 Armstrong provided a declaration to attorneys for litigants David  
16 Mayo, Church of the New Civilization, John Nelson, Harvey Haber,  
17 Vivien Zegel and Dede Reisdorf, which was filed in the  
18 consolidated cases of Religious Technology Center, et al. v.  
19 Robin Scott, et al., and Religious Technology Center, et al. v.  
20 Wollersheim, et al., United States District Court for the Central  
21 District of California, Case Nos. CV 85-711 JMI (Bx) and CV 85-  
22 7197 JMI (Bx) ("the Scott case"). [Sep.St.Nos. 23-24.] The  
23 Church and related entities - Church of Scientology of California  
24 and Religious Technology Center - are plaintiffs in the Scott  
25 case. In the declaration, Armstrong purports to authenticate an  
26 earlier declaration which describes some of his alleged  
27 experiences with the Church, as well as a portion of a transcript  
28 which was ordered sealed in the earlier action between the Church



1 and Armstrong. [Id.] These actions are separate and further  
2 violations of ¶7(D), triggering the liquidated damages remedy.

3       **3.     Armstrong Violated The Agreement**  
4       **By Giving Interviews To The Media**

5       Armstrong also has admitted in deposition that on March 19  
6 and 20, 1992, he gave interviews to various reporters, including  
7 a reporter for CNN. In his CNN interview, Armstrong discussed  
8 his alleged experiences with the Church of Scientology. The  
9 interview was videotaped, then broadcast repeatedly on CNN.  
10 [Sep.St.No. 19-21.] In addition, Armstrong has admitted to a  
11 1992 interview with William Horne, a reporter with The American  
12 Lawyer, in which he also discussed his Scientology experiences.  
13 [Sep.St.No. 22.] These interviews constitute a breach of ¶7(D)  
14 of the Agreement.

15                   **III.   ARGUMENT**

16       **A.     Armstrong's Liability For The Breaches May Be**  
17       **Determined By Summary Adjudication**

18       A motion for summary adjudication "shall be granted if all  
19 the papers submitted show that there is no triable issue as to  
20 any material fact and that the moving party is entitled to a  
21 judgment as a matter of law." Code Civ. Proc. § 437c(c).  
22 Moreover, under a provision recently added to the Code of Civil  
23 Procedure:

24               (n) For purposes of motions for summary judgment  
25               and summary adjudication:

26               (1) a plaintiff or cross-complainant has met his  
27               or her burden of showing that there is no defense to a  
28               cause of action if that party has proved each element  
              of the cause of action entitling the party to judgment  
              on that cause of action. Once the plaintiff or cross-  
              complainant has met that burden, the burden shifts to  
              the defendant or cross-defendant to show that a triable  
              issue of one or more material facts exists as to that



1           cause of action.  
2   C.C.P. §437c(n)(1). As demonstrated below, and in the Separate  
3   Statement of Undisputed Facts, the Church has met its burden by  
4   proving, from Armstrong's own admissions, each element of the  
5   causes of action for breach of contract for which summary  
6   adjudication is sought. The burden, accordingly, shifts to  
7   Armstrong to demonstrate that a triable issue of material fact  
8   exists as to plaintiff's claims. Armstrong is simply unable to  
9   meet that burden. He has already admitted the facts of each of  
10   the claimed breaches, and does not dispute that his actions  
11   constitute a breach of the contract, so long as the contract is  
12   enforceable. Moreover, the Court of Appeal has already rejected  
13   each of his claimed affirmative defenses, finding that the  
14   Agreement was fully enforceable against him.<sup>6</sup>

15  
16       <sup>6</sup>   The Court of Appeal described Armstrong's defenses as  
17   follows: "Armstrong did not deny the charged conduct but asserted  
18   the settlement agreement was not enforceable for various reasons,  
19   primarily that it was against public policy and that he signed it  
20   under duress." [Sep.St.No. 12.] The Court rejected all of those  
21   defenses -- including, inter alia, assorted constitutional  
22   claims, lack of mutuality, duress, actual fraud, constructive  
23   fraud, restraint of trade, unclean hands and obstruction of  
24   justice -- most without comment. [Sep.St.No. 13.] In rejecting  
25   Armstrong's First Amendment arguments, the Court stated:

26           Although Armstrong's "freedom of speech" is  
27           affected, it is clear that a party may voluntarily by  
28           contract agree to limit his freedom of speech. (See In  
29           re Steinberg (1983) 148 Cal.App.3d 14, 18-20 [filmmaker  
30           agreed to prior restraint on distribution of film]; ITT  
31           Telecom Products Corp. v. Dooley (1989) 214 Cal.App.3d  
32           307, 319 [employee's agreement not to disclose  
33           confidential information; "it is possible to waive even  
34           First Amendment free speech rights by contract"]; Snepp  
35           v. United States (1980) 444 U.S. 507, 509, fn. 3 [book  
36           by CIA employee subject to prepublication clearance by  
37           terms of his employment contract].)

38           [Sep.St.No. 14.]



1           Once the moving party has shown the nonexistence of a  
2   factual dispute as to a material fact, the party opposing the  
3   motion can avoid summary adjudication only by presenting evidence  
4   tending to demonstrate that there exists a triable issue of  
5   material fact. See, e.g., University of Southern California v.  
6   Superior Court (1990) 222 Cal.App.3d 1028, 1036, 272 Cal.Rptr.  
7   264, 268-269.

8           Indeed, courts have found that summary adjudication can be  
9   particularly appropriate for a cause of action for breach of a  
10   written contract. "Where there is no conflict as to the terms of  
11   a contract, and where its provisions are not uncertain or  
12   ambiguous, its 'meaning and effect \* \* \* and the relation of the  
13   parties to it thereby created \* \* \* become a question of law to  
14   be decided by the court.'" Nizuk v. Georges (1960) 180  
15   Cal.App.2d 699, 705, 4 Cal.Rptr. 565, 570 (citations omitted)  
16   (Liability under written employment contract properly decided on  
17   motion for summary judgment). Here, the parties agree on the  
18   existence of the written contract between them [Sep.St.No. 1],  
19   and there is no dispute as to its language or terms. The  
20   evidence of the breaches consists of undenied facts presented by  
21   plaintiff and the admissions of the defendant himself. All that  
22   remains to be decided -- the meaning and effect of those terms --  
23   is a question of law for the Court.

24   B.   The Undisputed Evidence Concerning These Three Causes Of  
25        Action Supports A Judgment For Plaintiff In The Combined  
      Amount of \$150,000 In Liquidated Damages

26           To establish its claim for breach of contract, the Church  
27   must establish, by competent and undisputed evidence, "(1) the  
28   contract, (2) plaintiff's performance or excuse for nonperfor-



1 mance, (3) defendant's breach, and (4) the resulting damages to  
2 plaintiff." Reichert v. General Insurance Company of America  
3 (1968) 68 Cal.2d 822, 830, 69 Cal.Rptr. 321, 325, 462 P.2d 377.

4 Each of these elements is fully established by undisputed  
5 evidence as to plaintiff's Fourth, Sixth and Eleventh Causes of  
6 Action. Armstrong has fully identified and authenticated the  
7 Agreement [Ex. B to Sep.St.] and his signature thereon.

8 [Sep.St.No. 4.] He has acknowledged that he signed the Agreement  
9 while fully expecting to be paid the settlement figure which he  
10 and his attorney agreed upon, and he has admitted that he  
11 received that amount. [Sep.St.No. 7.] It is also undisputed  
12 that the amount was \$800,000, not a small or nominal sum.

13 [Sep.St.No. 8.] The payment of money to Armstrong's attorney is  
14 the sole consideration required of plaintiff pursuant to the  
15 Agreement, and it was fully paid within days of the signing of  
16 the Agreement. [Sep.St.Nos. 1,7.]

17 Armstrong's breaches have been detailed in Part II. C,  
18 supra, and are set forth, with their supporting evidence, in the  
19 accompanying separate statement. Each of the acts that  
20 constitute a breach has been admitted by Armstrong, either in his  
21 Answer to the Amended Complaint, in deposition, or both. The  
22 evidence chronicled in the separate statement demonstrates not  
23 one, but three separate, individual breaches of paragraph 7(D) of  
24 the Agreement.

25 The damages suffered by plaintiff by reason of Armstrong's  
26 breaches of paragraph 7(D) of the Agreement are also without  
27 dispute. As part of the Agreement, the parties settled on  
28 \$50,000 as liquidated damages, which would compensate plaintiff



1 for each breach of ¶7(D). Armstrong and his attorney agreed,  
2 when they signed the Agreement, that this was a reasonable  
3 amount. [Sep.St.No. 9.] Under California law, such a liquidated  
4 damages provision is presumed valid unless it is shown to be  
5 "unreasonable under the circumstances existing at the time the  
6 contract was made." Civil Code § 1671(b). Armstrong bears the  
7 burden of demonstrating that the provision was not reasonable  
8 under the circumstances existing when the contract was made. He  
9 has proffered no evidence of this, nor can he. The clause can,  
10 and must, be enforced. O'Connor v. Televideo System, Inc. (1990)  
11 218 Cal.App.3d 709, 718, 267 Cal.Rptr. 237.

12 CONCLUSION

13 Armstrong has admitted to three separate breaches of the  
14 Agreement which require him to pay the Church a combined amount  
15 of \$150,000 in liquidated damages. There are no disputed issues  
16 of fact as to any of the elements of plaintiff's claims.  
17 Plaintiff is, accordingly, entitled to summary adjudication of  
18 its Fourth, Sixth, and Eleventh Causes of Action, and it is  
19 entitled to entry of judgment on those claims in the amount of  
20 \$150,000.

21 Dated: October \_\_, 1994

Respectfully submitted,

22 Laurie J. Bartilson  
23 BOWLES & MOXON

24 WILSON, RYAN & CAMPILONGO

25  
26 By: \_\_\_\_\_  
Andrew H. Wilson

27 Attorneys for Plaintiff  
28 CHURCH OF SCIENTOLOGY  
INTERNATIONAL







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San Anselmo, California 94960-1949  
Telephone: (415) 258-0360  
Telecopier: (415) 456-5318

Attorney for Defendant  
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, )	No. 157 680
a California not-for-profit )	
religious corporation, )	ARMSTRONG'S EX PARTE
Plaintiff, )	APPLICATION TO CONTINUE
vs. )	DATE OF HEARING PER
GERALD ARMSTRONG; MICHAEL WALTON; )	C.C.P. § 437c AND TIME
THE GERALD ARMSTRONG CORPORATION, )	TO OPPOSE MOTION THEREFOR
a California for-profit )	DECLARATION OF FORD
corporation; DOES 1 through 100, )	<u>GREENE; [Proposed] ORDER</u>
inclusive, )	
Defendants. )	Date: December 8, 1994
	Time: 9:30 a.m.
	Dept: One
	Trial Date: 5/18/95

TO: CHURCH OF SCIENTOLOGY INTENTIONAL AND ITS ATTORNEYS OF  
RECORD:

PLEASE TAKE NOTICE that on December 8, 1994 at 9:30 a.m., in  
Department 1 of the above-entitled Court, located at the Hall of  
Justice, Marin County Civic Center, San Rafael, California,  
defendant Gerald Armstrong, by and through his attorney of record,  
Ford Greene, will seek ex parte orders allowing continuing the  
December 23, 1994 hearing on Scientology's C.C.P. § 437c motion  
and the dates for the opposition thereto.



1       The basis for this ex parte request is that Armstrong's  
2 counsel is presently in a lengthy, complex and fact-intensive jury  
3 trial in Sonoma County Superior Court, and does not have time to  
4 respond to the motion, a fact known by Scientology and calculated  
5 into its law and motion strategy.

6       The legal basis for the instant application includes, but is  
7 not limited to California Rule of Court 379, and Local Rule 2.10.

8       This ex parte application is based upon this notice, the  
9 attached declaration of Ford Greene, the court's files and records  
10 in this case and such other material as is presented in support of  
11 the application.

12 DATED:       December 8, 1994

HUB LAW OFFICES

By: 

FORD GREENE  
Attorney for Defendant  
GERALD ARMSTRONG



DECLARATION OF FORD GREENE

FORD GREENE declares:

1. I am an attorney licensed to practice law in the Courts of the State of California and am the attorney of record for GERALD ARMSTRONG, defendant herein.

2. I am also counsel for plaintiff in Simon v. Chakpori-Ling Foundation, Sonoma County Superior Court, Case No. 175 898. The case is in Department 7, the Honorable Elaine Watters, presiding. Judge Watters has blocked-out trial time through February 3, 1995.

3. On November 8th, I fax a letter to Ms. Bartilson wherein I advised her that the Simon trial would commence on November 28th. (Exh. A)

4. On November 9th, Ms. Bartilson wrote me and confirmed that she had verified with the Sonoma County Clerk that the trial in Simon was set to commence on November 28th. (Exh. B)

5. On November 17, 1994, my office was personally served with Scientology's two-and-one-half-inch-thick motion brought pursuant to C.C.P. § 437c. The hearing therefor is set on December 23, 1994 in this Department. The opposition thereto must be filed and served on or before December 9, 1994.

6. On November 18th, I faxed a letter to Scientology counsel Bartilson requesting that she stipulate to a continuance of the hearing date because of my participation in the Simon trial. (Exh. C)

7. On November 22nd, Ms. Bartilson wrote me, refusing to agree to my request for an extension. (Exh. D)

8. On Monday, November 28, 1994 jury selection commenced in



1 Simon. Opening arguments were made in the afternoon on November  
2 30th. (Exh. E)

3 9. On the morning of Wednesday, November 30th, I wrote Ms.  
4 Bartilson again renewing my request that she agree to a  
5 continuance and advising that if I received no cooperation I would  
6 seek ex parte relief the next day. (Exh. F)

7 10. On the afternoon of November 30th Ms. Bartilson wrote me  
8 and stated she was willing to stipulate to a "brief continuance."

9 In reliance thereon, I advised her that the ex parte  
10 application would not be forthcoming. (Exh. G)

11 11. On Monday December 5th, I faxed Ms. Bartilson and  
12 advised her that I wanted the hearing to take place on or after  
13 February 25th. I further advised her that I anticipated her  
14 refusal and thus the instant ex parte application would be made on  
15 December 8th at 9:30 a.m. in Department One. (Exh. H)

16 12. The trial in this case is set for May 18, 1994.  
17 Therefore, the latest that the section 437c hearing could be held  
18 in absence of a court order extending the time therefor would be  
19 April 18, 1994. Plaintiff will not be prejudiced by a continuance  
20 of the hearing date on the motion. If the requested continuance  
21 is not granted, defendant Armstrong will be prejudiced because his  
22 counsel is in an ongoing, lengthy and complex jury trial and is  
23 unable to effectively respond to the motion. Furthermore,  
24 Scientology counsel was aware of my trial schedule in Simon and  
25 deliberately calendared the section 437c motion so as to conflict  
26 with said schedule and thereby obtain an undue advantage or cause  
27 me to direct my resources to obtaining ex parte relief.

28 13. I have given notice of the present application for ex



1 parte orders to counsel for plaintiff in the following manner:

2 a. By letter telecopied on December 5, 1994 at 12:48 p.m.

3 14. I received the following response to said notice: None.

4 Under penalty of perjury pursuant to the laws of the State of  
5 California I hereby declare that the foregoing is true and correct  
6 according to my first-hand knowledge, except those matters stated  
7 to be on information and belief, and as to those matters, I  
8 believe them to be true.

9 Executed on December 8, 1994, at San Anselmo, California

10   
11 FORD GREENE  
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SUPERIOR COURT, MARIN COUNTY, CALIFORNIA  
LAW & MOTION, CIVIL CALENDAR  
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

-----

THE MOTION OF PLAINTIFF FOR SUMMARY ADJUDICATION OF ISSUES IS GRANTED AS TO THE FOURTH AND SIXTH CAUSES OF ACTION AND DENIED AS TO THE ELEVENTH CAUSE OF ACTION.

AS TO ALL CAUSES OF ACTION, DEFENDANT FAILS TO RAISE A TRIABLE ISSUE AS TO WHETHER THE LIQUIDATED DAMAGES PROVISION IS INVALID. DEFENDANT RELIES ON THE LAW AS IT EXISTED PRIOR TO JULY 1, 1978. (SEE UNITED SAV. & LOAN ASSN. V. REEDER DEV. CORP. (1976) 57 CAL.APP.3D 282 AND EARLIER VERSIONS OF CIV. CODE, §§ 1670 AND 1671.) THE LAW NOW PRESUMES THAT LIQUIDATED DAMAGES PROVISIONS ARE "VALID UNLESS THE PARTY SEEKING TO INVALIDATE THE PROVISION ESTABLISHES THAT THE PROVISION WAS UNREASONABLE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THE CONTRACT WAS MADE." (CIV. CODE, § 1671, SUBD. (b).) DEFENDANT'S EVIDENCE IS NOT SUFFICIENT TO RAISE A TRIABLE ISSUE IN THAT REGARD. ALTHOUGH DEFENDANT STATES IN HIS DECLARATION THAT HE WAS NOT INVOLVED IN NEGOTIATING THE PROVISION (SEE D'S EX. 1, ¶12), HE GOES ON TO STATE THAT HE DISCUSSED THE PROVISION WITH TWO ATTORNEYS BEFORE SIGNING THE AGREEMENT. (ID., ¶¶12-13.) THUS, HE CLEARLY KNEW OF THE PROVISION YET CHOSE TO SIGN IT. HE HAS NOT SHOWN THAT HE HAD UNEQUAL BARGAINING POWER OR THAT HE MADE ANY EFFORTS TO BARGAIN OR NEGOTIATE WITH RESPECT TO THE PROVISION. (SEE H. S. PERLIN CO. V. MORSE SIGNAL DEVICES (1989) 209 CAL.APP.3D 1289.) DEFENDANT NEXT STATES THAT PLAINTIFF'S ACTUAL DAMAGES ARE ZERO. (D'S EX. 1, ¶12.) HOWEVER, "THE AMOUNT OF DAMAGES ACTUALLY SUFFERED HAS NO BEARING ON THE VALIDITY OF THE LIQUIDATED DAMAGES PROVISION..." (SEE LAW REVISION COMMISSION COMMENT TO § 1671.) FINALLY, DEFENDANT POINTS TO THE FACT THAT OTHER SETTLEMENT AGREEMENTS CONTAIN A \$10,000 LIQUIDATED DAMAGES PROVISION. (SEE D'S EXS. 2C AND 2D.) THIS ALONE IS NOT SUFFICIENT TO RAISE A TRIABLE ISSUE IN THAT DEFENDANT HAS NOT SHOWN THAT CIRCUMSTANCES DID NOT CHANGE BETWEEN 12/86 AND 4/87 AND THAT THOSE SETTLING PARTIES STAND IN THE SAME OR SIMILAR POSITION TO DEFENDANT (I.E., THAT THEY WERE AS HIGH UP IN THE ORGANIZATION AND COULD CAUSE AS MUCH DAMAGE BY SPEAKING OUT AGAINST PLAINTIFF OR THAT THEY HAVE/HAD ACCESS TO AS MUCH INFORMATION AS DEFENDANT).



## LAW &amp; MOTION, CIVIL CALENDAR

## RULINGS

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

DEFENDANT ALSO HAS NOT RAISED A TRIABLE ISSUE REGARDING DURESS. DEFENDANT'S OWN DECLARATION SHOWS HE DID NOT EXECUTE THE AGREEMENT UNDER DURESS IN THAT IT SHOWS THAT HE CAREFULLY WEIGHED HIS OPTIONS. (SEE D'S EX. 1, ¶10.) IT CERTAINLY DOES NOT SHOW THAT HE DID SOMETHING AGAINST HIS WILL OR HAD "NO REASONABLE ALTERNATIVE TO SUCCUMBING." (SEE IN RE MARRIAGE OF BALTIMORE (1989) 212 CAL.APP.3D 66, 84.) IN ADDITION, DEFENDANT IS RELYING ON THE CONDUCT OF A THIRD PARTY (FLYNN) TO ESTABLISH DURESS, YET HE SETS FORTH NO FACT OR EVIDENCE IN HIS SEPARATE STATEMENT SHOWING THAT PLAINTIFF HAD REASON TO KNOW OF THE DURESS. (SEE LEEPER V. BELTRAMI (1959) 53 CAL.2D 195, 206.)

AS TO THE FOURTH CAUSE OF ACTION, CONTRARY TO DEFENDANT'S ARGUMENT, THE SUBJECT DECLARATION DOES MORE THAN MERELY AUTHENTICATE DOCUMENTS. (SEE P'S EX. 1(A)(11), ¶¶1-3.) THE COURT FINDS THAT THE DECLARATION CONSTITUTES A DISCLOSURE OF DEFENDANT'S "EXPERIENCES WITH" PLAINTIFF OR "KNOWLEDGE OR INFORMATION" CONCERNING PLAINTIFF AND HUBBARD. (SEE P'S EX. 1B, ¶7D.) DEFENDANT FAILS TO RAISE A TRIABLE ISSUE REGARDING OBSTRUCTION OF JUSTICE/ SUPPRESSION OF EVIDENCE. THE SETTLEMENT AGREEMENT EXPRESSLY DOES NOT PROHIBIT DEFENDANT FROM DISCLOSING INFORMATION PURSUANT TO SUBPOENA OR OTHER LEGAL PROCESS. (SEE P'S EX. 1B, ¶7H; CONTRAST WITH PEN. CODE, §§ 136.1 AND 138, WILLIAMSON V. SUPERIOR COURT (1978) 21 CAL.3D 829, PEOPLE V. PIC'L (1982) 31 CAL.3D 731.) NOR IS PLAINTIFF IN THIS CAUSE OF ACTION SEEKING TO PROHIBIT DISCLOSURE TO GOVERNMENT AGENCIES CONDUCTING INVESTIGATIONS PURSUANT TO STATUTORY OBLIGATIONS. (CONTRAST WITH MARY R. V. B. & R. CORP. (1983) 149 CAL.APP.3D 308 AND ALLEN V. JORDANOS' INC. (1975) 52 CAL.APP.3D 160.) EVEN IF A PORTION OF THE AGREEMENT COULD BE CONSTRUED TO SO PROHIBIT (SEE, E.G., ¶10), PLAINTIFF IS NOT RELYING ON THAT SECTION. NOR HAS DEFENDANT SHOWN THAT THE PROVISION IS SO SUBSTANTIAL AS TO RENDER THE ENTIRE CONTRACT ILLEGAL. (CONTRAST WITH ALLEN, SUPRA, 52 CAL.APP.3D AT 166.)



## LAW &amp; MOTION, CIVIL CALENDAR

## RULINGS

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

AS TO THE SIXTH CAUSE OF ACTION, DEFENDANT FAILS TO RAISE A TRIABLE ISSUE REGARDING THE CNN INTERVIEW. DEFENDANT ADMITTED IN HIS DEPOSITION THAT HIS CONVERSATION WITH CNN INVOLVED KNOWLEDGE HE HAD GAINED BECAUSE OF HIS YEARS OF EXPERIENCE WITH THE ORGANIZATION (P'S EX. 1A AT 344:1-4), THUS REFUTING HIS ARGUMENTS THAT HIS STATEMENT WAS BASED ON KNOWLEDGE ACQUIRED AFTER THE SETTLEMENT AGREEMENT AND THAT HIS INTERVIEW WAS DIRECTLY RELATED TO THE INSTANT LITIGATION. IN ADDITION, PLAINTIFF SET FORTH NO FACTS OR EVIDENCE IN HIS SEPARATE STATEMENT SHOWING THAT HE COULD DISCLOSE INFORMATION ACQUIRED AFTER EXECUTION OF THE SETTLEMENT AGREEMENT OR THAT HE COULD MAKE SUCH STATEMENTS IN THE CONTEXT OF FUTURE LITIGATION. FINALLY, THERE IS NOTHING IN THE STATEMENT WHICH TIES IT TO EITHER OF THE ARGUMENTS RAISED BY DEFENDANT. DEFENDANT ALSO FAILS TO RAISE A TRIABLE ISSUE REGARDING THE AMERICAN LAWYER INTERVIEW. DEFENDANT'S CLAIM THAT HE ONLY DISCUSSED THE INSTANT LITIGATION IS REFUTED BY HIS OWN ADMISSION THAT HE DISCUSSED "THE PLIGHT OF THE ORGANIZATION [AND] WHAT IT WOULD TAKE TO END ITS LEGAL TROUBLES." (D'S EX. 1D AT 352:15-19.) DEFENDANT'S CLAIM THAT HIS DISCUSSION INVOLVED "NOTHING MORE THAN WHAT JUDGE BRECKENRIDGE STATED IN HIS DECISION IN ARMSTRONG I" IS REFUTED BY HIS ADMISSION THAT HE DID NOT RECALL DISCUSSING THE BRECKENRIDGE OPINION WITH THE REPORTER. (D'S EX. 1D AT 358:20-23.) FURTHER, DEFENDANT POINTS TO NOTHING IN JUDGE BRECKENRIDGE'S OPINION WHICH COINCIDES TO THOSE MATTERS DISCUSSED BY DEFENDANT.

AS TO THE ELEVENTH CAUSE OF ACTION, PLAINTIFF HAS NOT SHOWN THAT DEFENDANT VIOLATED PARAGRAPH 7D OF THE SETTLEMENT AGREEMENT. THE DECLARATION RELIED ON BY PLAINTIFF (P'S EX. 1(A)(8)) DOES NOT DISCLOSE DEFENDANTS "EXPERIENCES WITH THE CHURCH OF SCIENTOLOGY [OR] ANY KNOWLEDGE OR INFORMATION HE MAY HAVE CONCERNING THE CHURCH OF SCIENTOLOGY..."

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA  
LAW & MOTION, CIVIL CALENDAR  
RULINGS

PAGE: 4-A

TIME: 9:00

DATE: 1/27/95

DEPT: 1

JUDGE: GARY W. THOMAS

REPORTER: E. PASSARIS

CLERK: J. BENASSINI

CASE NO: 157680

TITLE OF ACTION: CHURCH OF SCIENTOLOGY V. GERALD ARMSTRONG

---

TOTAL P.04

DEFENDANT ARMSTRONG FILED A SUPPLEMENTAL DECLARATION AND EVIDENCE SIX DAYS LATE. THE COURT DID NOT PERMIT SAME. THE PLAINTIFF'S MOTION TO STRIKE THE SUPPLEMENTAL PAPERS FROM THE FILE IS GRANTED. PLAINTIFF'S REQUEST FOR SANCTIONS IS GRANTED. DEFENDANTS KNEW THE LATENESS OF THE FILING, SOME SIX DAYS. THERE WAS AMPLE TIME TO SEEK THE COURT'S PERMISSION FOR A LATE FILING. PERMISSION WAS NOT SOUGHT. SANCTIONS REQUESTED BY PLAINTIFF PURSUANT TO SECTION 437C(1) ARE GRANTED IN THE AMOUNT OF \$700, AS THE COURT FINDS THIS SIX-DAYS LATE FILING TO BE IN BAD FAITH.





1 Andrew H. Wilson, SBN 063209  
2 WILSON, RYAN & CAMPILONGO  
3 115 Sansome Street  
4 Fourth Floor  
5 San Francisco, California 94104  
6 (415) 391-3900  
7 Telefax: (415) 954-0938

8 Laurie J. Bartilson, SBN 139220  
9 MOXON & BARTILSON  
10 6255 Sunset Boulevard, Suite 2000  
11 Hollywood, CA 90028  
12 (213) 960-1936  
13 Telefax: (213) 953-3351

14 Attorneys for Plaintiff  
15 CHURCH OF SCIENTOLOGY  
16 INTERNATIONAL

17  
18  
19  
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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California not-for-profit  
religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25,  
inclusive,

Defendants.

) CASE NO. BC 157680  
)  
) PLAINTIFF'S NOTICE OF MOTION  
) AND MOTION FOR SUMMARY  
) ADJUDICATION OF THE  
) TWENTIETH CAUSE OF ACTION  
) OF PLAINTIFF'S COMPLAINT  
)  
)  
)  
) DATE: March 31, 1995  
) TIME: 9:00 a.m.  
) DEPT: 1  
)  
)  
) DISCOVERY  
) CUT-OFF: March 16, 1995  
) MTN CUT-OFF: April 18, 1995  
) TRIAL DATE: May 18, 1995

PLEASE TAKE NOTICE that on March 31, 1995, at 9:00 a.m., or as soon thereafter  
as may be heard in Department 1 of the above-entitled Court located at Hall of Justice, 3501  
Civil Cir. Dr., San Rafael, California, plaintiff Church of Scientology International ("the  
Church") will move this Court to issue an order granting summary adjudication of plaintiff's  
Twentieth Cause of Action (for permanent injunction for breach of contract) in favor of the



1 Church, pursuant to California Code of Civil Procedure Section 437c. This Motion is made  
2 on the grounds that there is no triable issue of any material fact relevant to plaintiff's claim  
3 for injunctive relief, and that the Church is entitled to judgment on the Twentieth Cause of  
4 Action as a matter of law.

5 This Motion is based on this Notice of Motion and Motion, the pleadings, records and  
6 files herein, the accompanying Memorandum of Points and Authorities, the declarations and  
7 exhibits filed herewith, the accompanying Separate Statement of Undisputed Material Facts,  
8 and such other evidence as may be adduced properly at the hearing of this Motion.

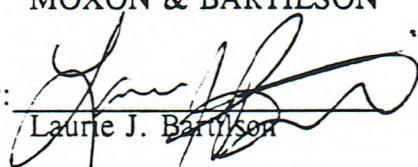
9 Dated: February 23, 1995

Respectfully submitted,

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

MOXON & BARTILSON

By:

  
Laurie J. Bartilson

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

PROOF OF SERVICE

STATE OF CALIFORNIA       )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On February 23, 1995, I served the foregoing document described as PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE TWENTIETH CAUSE OF ACTION OF PLAINTIFF'S COMPLAINT on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE  
HUB Law Offices  
711 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

MICHAEL WALTON  
700 Larkspur Landing Circle  
Suite 120  
Larkspur, CA 94939

[x] BY FAX AND MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an



affidavit.

Executed on February 23, 1995 at Los Angeles, California.

[ ] \*\*(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

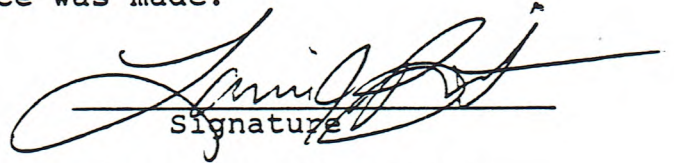
Executed on \_\_\_\_\_ at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie J. Bartilson

Print or Type Name

  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



EXHIBIT FF



1 Ford-Greene  
California State Bar No. 107601  
2 HUB LAW OFFICES  
711 Sir Francis Drake Boulevard  
3 San Anselmo, California 94960-1949  
Telephone: (415) 258-0360  
4 Telecopier: (415) 456-5318

5 PAUL MORANTZ, ESQ.  
P.O. Box 511  
6 Pacific Palisades, CA 90272  
(310) 459-4745  
7

8 Attorneys for Defendants  
GERALD ARMSTRONG and  
THE GERALD ARMSTRONG CORPORATION  
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF MARIN  
12

13 CHURCH OF SCIENTOLOGY INTERNATIONAL,) No. 157 680  
a California not-for-profit )  
14 religious corporation, )

15 Plaintiff, )

16 vs. )

SUBSTITUTION OF COUNSEL

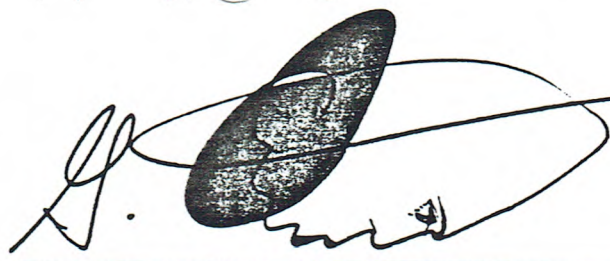
17 GERALD ARMSTRONG; MICHAEL WALTON; )  
THE GERALD ARMSTRONG CORPORATION, )  
18 a California for-profit )  
corporation; DOES 1 through 100, )  
19 inclusive, )

20 Defendants. )  
21

22 TO THE CLERK OF THE ABOVE-ENTITLED COURT AND TO ALL PARTIES  
23 AND THEIR COUNSEL:

24 Defendants Gerald Armstrong and The Gerald Armstrong  
25 Corporation hereby substitute Gerald Armstrong, in propria  
26 persona, 715 Sir Francis Drake Boulevard, San Anselmo, California  
27 94960-1949, Telephone (415) 456-8450 as attorney of record in the  
28 place and stead of Ford Greene, Esq., and Paul Morantz, Esq.

23 *Go*  
1 DATED: February 7, 1995



GERALD ARMSTRONG  
Defendant



THE GERALD ARMSTRONG CORPORATION  
Defendant

11 I consent to the above substitution.

12 DATED: February 7, 1995

HUB LAW OFFICES

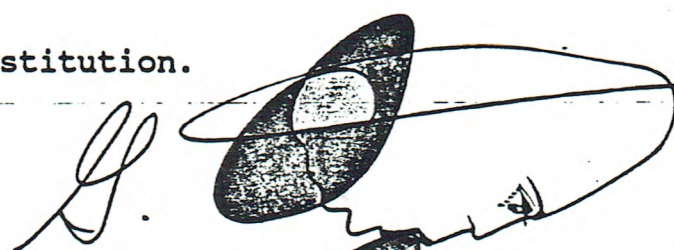
14 By: 

FORD GREENE

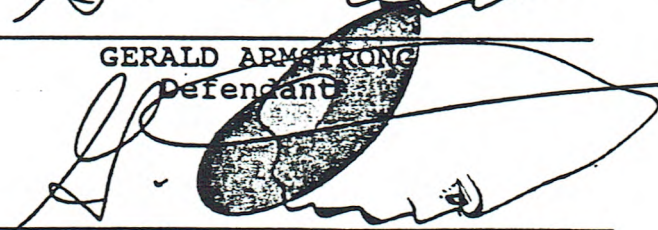
18 *see next page*  
PAUL MORANTZ

21 I accept the above substitution.

22 *23 Go*  
23 DATED: February 7, 1995



GERALD ARMSTRONG  
Defendant



THE GERALD ARMSTRONG CORPORATION  
Defendant



1 DATED: February 7, 1995

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11

I consent to the above substitution.

12

13 DATED: February 7, 1995

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DATED: February 7, 1995

24

25

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28

GERALD ARMSTRONG  
Defendant

THE GERALD ARMSTRONG CORPORATION  
Defendant

HUB LAW OFFICES

BY: 

FORD GREENE

  
PAUL MORANTZ

I accept the above substitution.

DATED: February 7, 1995

GERALD ARMSTRONG  
Defendant

THE GERALD ARMSTRONG CORPORATION  
Defendant

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: SUBSTITUTION IF ATTORNEY on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
115 Sansome Street, 4th Floor  
San Francisco, California 94104

Laurie J. Bartilson  
MOXON & BARTILSON  
6255 Sunset Boulevard, Suite 2000  
Hollywood, California 90028

<input checked="" type="checkbox"/>	(By Mail)	I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.
<input type="checkbox"/>	(Personal Service)	I caused such envelope to be delivered by hand to the offices of the addressee.
<input checked="" type="checkbox"/>	(State)	I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
<input type="checkbox"/>	(Federal)	I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

DATED: February 23, 1995

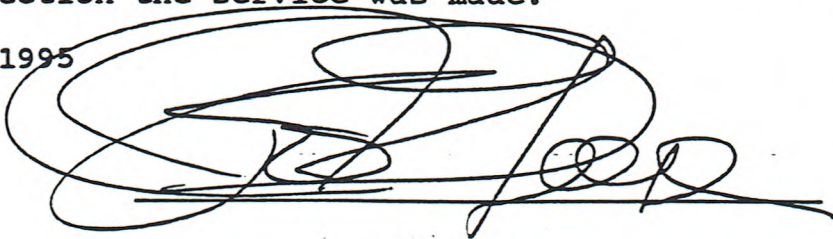




EXHIBIT GG

Gerald Armstrong  
715 Sir Francis Drake Boulevard  
San Anselmo, California 94960  
Telephone: 415-456-8450

**FILED**

MAR 10 1995

HOWARD HANSON  
MARIN COUNTY CLERK  
Kerwick, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, )  
a California not-for-profit )  
religious corporation, )

Plaintiff, )

vs. )

GERALD ARMSTRONG; MICHAEL WALTON; )  
THE GERALD ARMSTRONG CORPORATION )  
a California for-profit )  
corporation; DOES 1 through 100, )  
inclusive, )

Defendants. )

No. 157 680

EX PARTE  
APPLICATION TO  
CONTINUE HEARING  
ON MOTION FOR  
SUMMARY ADJUDICATION  
OF TWENTIETH CAUSE  
OF ACTION OF  
COMPLAINT

Date: 3/10/95  
Time: 9:00 a.m.  
Dept: One  
Trial Date: 5/18/95

TO: CHURCH OF SCIENTOLOGY INTERNATIONAL AND ITS ATTORNEYS

OF RECORD:

PLEASE TAKE NOTICE that on March 10, 1995 at 9:00 a.m.,  
in Department 1 of the above-entitled Court, located at the  
Hall of Justice at the Marin County Civic Center, San  
Rafael, California, defendant Gerald Armstrong, in pro per,  
will seek an ex parte order continuing the hearing on  
plaintiff's motion for summary adjudication of the twentieth  
cause of action of its complaint presently set for March 31,  
1995.

This ex parte application is based upon the grounds



ORDER

GOOD CAUSE appearing therefor, it is hereby ORDERED that the hearing on the motion for summary adjudication shall be continued to April 14, 1995. *9 p.m.*

DATED: MAR 10 1995

GARY W. THOMAS

Judge of the Superior Court

EXHIBIT HH



1 Andrew H. Wilson, SBN #063209  
WILSON, RYAN & CAMPILONGO  
2 115 Sansome Street, 4th Floor  
San Francisco, California 94104  
3 (415) 391-3900  
Telefax: (414) 954-0938  
4

5 Laurie J. Bartilson, SBN #139220  
MOXON & BARTILSON  
6 6255 Sunset Boulevard, Suite 2000  
Hollywood, CA 90028  
(213) 960-1936  
7 Telefax: (213) 953-3351

8 Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
9 INTERNATIONAL

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 FOR THE COUNTY OF MARIN  
12

13 CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California not-  
14 for-profit religious corporation,

15  
16 Plaintiff,

17  
18 vs.

19  
20 GERALD ARMSTRONG; DOES 1 through  
21 25, inclusive,

22  
23 Defendants.

) CASE NO. 157 680

) [CONSOLIDATED]

) PLAINTIFF'S NOTICE OF  
) MOTION AND MOTION FOR  
) SUMMARY ADJUDICATION OF THE  
) THIRTEENTH, SIXTEENTH,  
) SEVENTEENTH AND NINETEENTH  
) CAUSES OF ACTION OF  
) PLAINTIFF'S SECOND AMENDED  
) COMPLAINT

) DATE: April 14, 1995

) TIME: 9:00 a.m.

) DEPT: 1

) TRIAL DATE: May 18, 1995

24 PLEASE TAKE NOTICE that on April 14, 1995, at 9:00 a.m., or  
25 as soon thereafter as may be heard in Department 1 of the above-  
26 entitled Court located at the Hall of Justice, 3501 Civic Center  
27 Dr., San Rafael, California 94908-4177, plaintiff Church of  
28 Scientology International ("the Church") will move this Court to

FILED

MAR 17 1995

HO J. HANSON  
MARIN COUNTY CLERK  
J. STEELE Dep

1 I declare under the penalty of perjury under the laws of  
2 the State of California that the foregoing is true and correct.  
3 Executed at San Francisco, California on March 17, 1995.

4   
5 COLLEEN Y. PALMER  
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PROOF OF SERVICE

I declare that I am employed in the City and County of San Francisco, California.

I am over the age of eighteen years and not a party to the within entitled action. My business address is 115 Sansome Street, Suite 400, San Francisco, California.

On March 17, 1995, I caused the attached copy of PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE THIRTEENTH, SIXTEENTH, SEVENTEENTH AND NINETEENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT; PLAINTIFF'S MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF MOTION FOR SUMMARY ADJUDICATION OF THE THIRTEENTH, ETC.; SEPARATE STATEMENT OF UNDISPUTED FACTS IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE THIRTEENTH, ETC.; NOTICE OF LODGING VIDEO TAPE AS EXHIBIT 1K IN SUPPORT OF PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE THIRTEENTH, ETC.; EVIDENCE IN SUPPORT OF PLAINTIFF'S NOTICE OF MOTION FOR SUMMARY ADJUDICATION OF THE THIRTEENTH, ETC. and REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE THIRTEENTH, ETC. on the following in said cause, by placing for deposit with Lightning Express Messenger Service on this day in the ordinary course of business, true copies thereof enclosed in a sealed envelope. The envelope was addressed as follows:

Gerald Armstrong  
715 Sir Francis Drake Blvd.  
San Anselmo, California 94960-1949

Michael Walton  
700 Larkspur Landing Circle  
Larkspur, CA 94939

/ / /

EXHIBIT II



IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

---000---

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California  
not-for-profit religious  
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; MICHAEL  
WALTON; THE GERALD ARMSTRONG  
CORPORATION, a California for  
profit corporation; DOES 1  
through 100, inclusive,

Defendants.

NO. 157-680

AND RELATED CROSS-ACTION.

TRANSCRIPT OF PROCEEDINGS:

Wednesday, March 22, 1995

Reported by:  
PENNY L. GILMORE  
CSR NO. 4724

LYON DEPOSITION REPORTING  
830 School Street, Suite 11  
Napa, California 94559  
(707) 226-2300

337A

## I N D E X

APPEARANCES:

LAURIE J. BARTILSON, Esq., representing the Law Offices of Moxon & Bartilson, 6255 Sunset Boulevard, Suite 2000, Hollywood, California 90028, appeared as counsel on behalf of Plaintiff.

WILLIAM R. BENZ, Esq., 900 Larkspur Landing Circle, Suite 185, Larkspur, California 94939, appeared as the referee in said action.

## E X H I B I T S

PLAINTIFF'SPage

67 Letter dated March 21, 1995 to  
Ms. Bartilson and Mr. Wilson from  
Gerald Armstrong

4

---oOo---



1 Wednesday, March 22, 1995

10:24 A.M.

2 ---o0o---

3 MR. BENZ: On the record at the offices of  
4 William Benz. It is, according to my watch, 10:24 A.M. on  
5 Wednesday, March 22nd, 1995. Ms. Bartilson is present and  
6 Matt Ward is present, both representing Plaintiff. There  
7 is no appearance by Gerald Armstrong nor any of the other  
8 defendants. I received a letter by fax from Mr. Armstrong  
9 dated March 21, 1995.

10 If you wish, you can make that part of the  
11 record.

12 MS. BARTILSON: Yes, I would like to do that.

13 (Whereupon Plaintiff's Exhibit 67  
14 was marked for identification.)

15 MR. BENZ: And, Ms. Bartilson, do you have any  
16 statement to make in connection with this case?

17 MS. BARTILSON: I should just say when I  
18 received this letter by fax yesterday afternoon in which  
19 Mr. Armstrong stated he would be unable to attend this  
20 deposition due to a spiritual condition that he was unable  
21 to control resulting in a psychological incapacitation, I  
22 called him to see if I could ascertain what the problem  
23 was or reschedule the deposition, so on and so forth.

24 The response that I got from Mr. Armstrong was  
25 that he had not seen a doctor; he didn't intend to see a

1 doctor or a psychiatrist; that he felt that his mind was  
2 not functioning properly, and because of that he did not  
3 want to proceed with the deposition.

4 I asked him if he would in fact see a doctor,  
5 see if he could obtain some kind of certificate of  
6 incapacitation, that there was something wrong with his  
7 mental condition so he couldn't be deposed. He said no,  
8 he wasn't going to do that.

9 I asked if his memory was impaired. He said no,  
10 he just felt his mind was not functioning properly, at  
11 which point I told him I intended to proceed today and  
12 reminded him of earlier times in the case when he and his  
13 lawyer delayed his deposition at more than four or five  
14 months, at which point he hung up on me.

15 MR. BENZ: Today was the time to which  
16 Mr. Armstrong's deposition had been continued from a prior  
17 session of the deposition, and by stipulation it had been  
18 set for this date at 10:00 A.M. at these offices; is that  
19 correct?

20 MS. BARTILSON: That is correct.

21 MR. BENZ: Anything else?

22 MS. BARTILSON: Just we did contact him this  
23 morning to see if he was going to appear and he told me he  
24 was not going to appear.

25 MR. BENZ: As far as I'm concerned, I've been



1 presented with an inadequate excuse for non-appearance, so  
2 I will leave it up to plaintiff's counsel to proceed as  
3 they wish.

4 MS. BARTILSON: I guess it's time to bring a  
5 motion if I can't get him to come back. I'll see if we  
6 can reschedule it.

7 MR. BENZ: There's another deposition which is  
8 set for tomorrow of Gerald Solfvin; is that correct?

9 MS. BARTILSON: That is correct, and that was by  
10 subpoena and notice.

11 MR. BENZ: Again, it's my opinion that this  
12 letter is not adequate to continue or reset that  
13 deposition, and could you notify Mr. Armstrong by  
14 telephone or fax that we intend to go ahead with that  
15 deposition whether he is here or not, absent some other  
16 showing?

17 MS. BARTILSON: I will give notice and I'll make  
18 sure I notify Mr. Solfvin, also, since I notice he copied  
19 this letter to Mr. Solfvin.

20 MR. BENZ: And you let me know if there's any  
21 change.

22 MS. BARTILSON: I will indeed, otherwise, it  
23 will be tomorrow morning. Thank you.

24 (Whereupon the proceedings were concluded.)

25 ---000---

## 1 CERTIFICATE OF DEPOSITION OFFICER

2  
3 I, PENNY L. GILMORE, a Certified Shorthand  
4 Reporter in the State of California, certify that said  
5 proceedings were taken down by me in machine shorthand and  
6 were thereafter transcribed into computer-assisted  
7 transcription under my direction.

8 I futher certify that I am not of counsel or  
9 attorney for either or any of the parties in the foregoing  
10 depositon and caption named, nor in any way interested in  
11 the outcome of the cause named in said caption.

12 IN WITNESS WHEREOF, I have hereunto set my hand  
13 this 27th day of March 1995.

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15   
16 DEPOSITION OFFICER, CSR NO. 4724  
17  
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MAR 21 '95 15:07 B LAW/FORD GREENE 415-456-5318

P.1/1

RECEIVED

March 21. 1995

MAR 21 1995

Via Fax

Laurie J. Bartilson  
Moxon & Bartilson  
5255 Sunset Boulevard, Suite 2000  
Los Angeles, CA 90028

By Fax  
213-263-3361

Andrew H. Wilson, Esquire  
Wilson, Ryan & Campilongo  
115 Sansome Street, Suite 400  
San Francisco, CA 94104

By Fax  
415-954-0938

Re: Scientology v. Armstrong  
Marin County Superior Court  
Case No. 157680

Dear Ms. Bartilson and Mr. Wilson:

Due to a spiritual condition which I am unable to control resulting in a psychological incapacitation I cannot proceed with the deposition set for tomorrow and the deposition of Gerald Solfvin set for March 23.

Please contact me in a few days to see if these depositions can be rescheduled.

Thank you for your consideration.

Yours sincerely,



Gerald Armstrong  
716 Sir Francis Drake Boulevard  
San Anselmo, CA 94960  
(415)456-8480

cc: Michael L. Walton, Esquire (by Fax)  
William R. Benz, Esquire (by Fax)  
Gerald Solfvin (by Fax)

MAR-21-1995 15:08

4154565318

93%

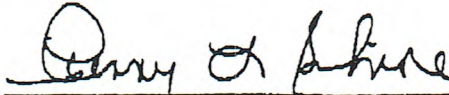
P.01

## 1 CERTIFICATE OF DEPOSITION OFFICER

2  
3 I, PENNY L. GILMORE, a Certified Shorthand  
4 Reporter in the State of California, and a disinterested  
5 person, certify that said proceedings were taken down by  
6 me in machine shorthand and were thereafter transcribed  
7 into computer-assisted transcription under my direction.

8 I further certify that I am not of counsel or  
9 attorney for either or any of the parties in the foregoing  
10 proceedings and caption named, nor in any way interested  
11 in the outcome of the cause named in said caption.

12 IN WITNESS WHEREOF, I have hereunto set my hand  
13 this 27th day of March 1995.

14   
15 \_\_\_\_\_  
16 DEPOSITION OFFICER, CSR NO. 4724  
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1 week - April 21

Gerald Armstrong  
715 Sir Francis Drake Boulevard  
San Anselmo, California 94960  
Telephone: 415-456-8450

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, )	No. 157 680
a California not-for-profit )	
religious corporation, )	EX PARTE
Plaintiff, )	APPLICATION TO
vs. )	CONTINUE HEARINGS
GERALD ARMSTRONG; MICHAEL WALTON; )	ON MOTIONS FOR
THE GERALD ARMSTRONG CORPORATION )	SUMMARY ADJUDICATION
a California for-profit )	OF 20TH CAUSE OF
corporation; DOES 1 through 100, )	ACTION; AND 13TH,
inclusive, )	16TH, 17TH & 19TH
Defendants. )	CAUSES OF ACTION
	OF 2ND AMENDED
	COMPLAINT
	Date: 3/29/95
	Time: 9:00 a.m.
	Dept: One
	Trial Date: 5/18/95

TO: CHURCH OF SCIENTOLOGY INTERNATIONAL AND ITS ATTORNEYS OF  
RECORD:

PLEASE TAKE NOTICE that on March 29, 1995 at 9:00 a.m., in  
Department 1 of the above-entitled Court, located at the Hall of  
Justice at the Marin County Civic Center, San Rafael, California,  
defendant Gerald Armstrong, in pro per, will seek an ex parte  
order continuing the hearing on plaintiff's motion for summary  
adjudication of the twentieth cause of action of its complaint  
presently set for April 14, 1995.

This ex parte application is based upon the grounds that  
defendant has been incapacitated by psychic trauma the past two



1 weeks; that Scientology's motion for summary adjudication seeks  
2 an order which is very overreaching and if granted will cripple  
3 defendant and destroy his litigant's and human rights; that the  
4 motion concerns more than twenty people or entities from whom  
5 defendant must obtain declarations in support of his opposition;  
6 that the motion and supporting papers are over six inches of  
7 documents and concern matters over a twenty-five year period of  
8 defendant's life; that defendant is not an attorney and not  
9 represented by an attorney; that defendant has no monetary  
10 resources; that an extension of time will give defendant an  
11 opportunity to obtain an attorney, and give any attorney retained  
12 an opportunity to participate in this very important summary  
13 adjudication motion which will set the stage and parameters at  
14 trial.  
15

16 This ex parte application is based upon this notice, the  
17 attached declaration of Gerald Armstrong, the Court's files and  
18 records in this case and such other material as is presented in  
19 support of this application.

20 DATED: March 28, 1995

21  
22  
23 By:

A handwritten signature in dark ink, appearing to be 'G. Armstrong', written over a horizontal line.

24 Gerald Armstrong  
25  
26  
27  
28



1  
2                                   DECLARATION OF GERALD ARMSTRONG

3           I, Gerald Armstrong, declare:

4           1.    I am the defendant in this case. I am not an attorney,  
5 not trained as an attorney, and do not have an attorney's  
6 knowledge or skills. Until February 23, 1995 I was represented  
7 by attorney Ford Greene.

8           2.    On February 27, 1995 I received from plaintiff  
9 Scientology organization its motion for summary adjudication of  
10 its twentieth cause of action of its complaint. Scientology  
11 seeks a permanent injunction which is overreaching and if granted  
12 would hopelessly cripple me as a litigant, and destroy my civil  
13 and human rights.

14           3.    On March 10 this Court signed an order, for which I am  
15 very grateful, granting an ex parte application which extended by  
16 two weeks the time to oppose the above-described motion for  
17 summary adjudication. On March 17 Scientology served on me  
18 another motion for summary adjudication, this of the 13th, 16th,  
19 17th and 19th causes of action of the second amended complaint.  
20 This motion seeks \$200,000.00 in liquidated damages.

21           4.    Scientology's motion for summary adjudication of the  
22 20th cause of action and supporting documents is over six inches  
23 thick. The second motion and supporting documents is another two  
24 inches.

25           5.    A little over two weeks ago I experienced a profound  
26 spiritual and psychological crisis and my psyche and physical  
27 being are only now beginning to normalize. I lost a great deal  
28



1 of strength and functionality and my normal mode of  
2 communication. I was immobilized and unable to speak at times,  
3 and at other times during this period was able to speak only  
4 haltingly and through great psychic anguish.  
5

6 6. I have, in spite of that, worked as able to oppose  
7 Scientology's motions. I have located and communicated with  
8 almost all of the people, including individuals in the United  
9 Kingdom and South Africa, who will be providing declarations to  
10 support my oppositions. I have a direction for my oppositions  
11 which I believe will be adequate and successful. My request for  
12 an extension, therefore, is not frivolous, but will promote  
13 justice by giving me the chance I need to defend myself.  
14 Scientology will not be prejudiced in any way if an extension is  
15 granted.

16 7. From the time Mr. Greene substituted out I have  
17 attempted to obtain competent counsel to represent me in this  
18 litigation. I have now communicated substantively with eleven  
19 attorneys, each of whom has thus far declined to represent me. I  
20 have also communicated with a number of organizations which have  
21 an interest in the First Amendment issues which my case presents  
22 and which may be able to assist financially or with creating a  
23 public forum for and focus on the case's issues. I am confident  
24 that help is on its way. An extension of two weeks will also  
25 give me an opportunity have an attorney assist in my oppositions  
26 or at least review my work, if I am able to obtain legal help in  
27 the next two weeks. These summary adjudication motions are  
28



1 extremely important and will set the stage and guidelines for the  
2 May trial. Any attorney who might become involved in my case  
3 would want to have as much input as possible into what that stage  
4 and guidelines will be.

5 8. I communicated in my last application that I did not  
6 have a computer or printer. I have now obtained a computer and,  
7 God willing, I will have a printer in the next few days. I have  
8 borrowed Ford Green's printer for this document.

9 9. I am requesting that the hearing on the motion for  
10 summary adjudication be set for April 28, 1995.

11 10. I advised Scientology attorney, Laurie Bartilson, by  
12 phone at 11:20 a.m. yesterday that I would seek a continuance of  
13 the hearing date ex parte today if she would not agree to such a  
14 continuance. I followed this up with a faxed letter, a copy of  
15 which is appended hereto as Exhibit A.

16 11. I apologize to the Court for not being able, despite my  
17 best efforts, to meet my commitment after it graciously granted  
18 my earlier request for an extension. I again ask for its  
19 patience and mercy.

20 I declare under the penalty of perjury under the laws of the  
21 State of California that the foregoing is true and correct.

22 Executed at San Anselmo, California, on March 29, 1995.

23  
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27  
28

A handwritten signature in black ink, appearing to read 'G. Armstrong', is written over a horizontal line.

GERALD ARMSTRONG



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DATED:

6





March 28, 1995

Laurie J. Bartilson  
MOXON & BARTILSON  
6255 Sunset Boulevard, Suite 2000  
Los Angeles, CA 90028

By Fax (213)953-3351

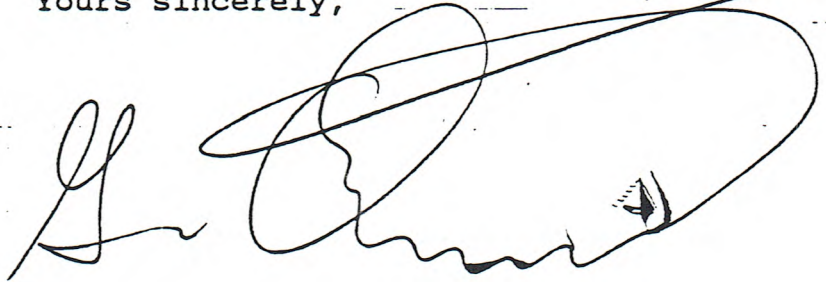
RE: Scientology v. Armstrong  
Marin County Superior Court  
Case No. 157 680

Dear Ms. Bartilson:

This is to put in writing our telephone conversation of this morning in which I said that I required an additional two weeks to prepare adequate responses to the two pending summary adjudication motions, and that if you would not grant such I would seek an extension ex parte from Judge Thomas tomorrow morning at 0900, and you said that you not would grant an extension.

Thank you.

Yours sincerely,

A large, stylized handwritten signature in black ink, likely belonging to Gerald Armstrong. The signature is fluid and cursive, with a prominent loop at the end.

Gerald Armstrong  
715 Sir Francis Drake Boulevard  
San Anselmo, CA 94960  
(415)456-8450

cc: Andrew H. Wilson, Esquire (by fax)  
cc: Michael L. Walton, Esquire (by fax)





1 Gerald Armstrong  
 2 715 Sir Francis Drake Boulevard  
 3 San Anselmo, CA 94960  
 (415)456-8450  
 In Propria Persona

4  
 5 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 6 FOR THE COUNTY OF MARIN

7 CHURCH OF SCIENTOLOGY INTERNATIONAL,) No. 157 680  
 8 a California not-for-profit )  
 religious corporation, )

9 Plaintiff, )

10 vs. )

11 GERALD ARMSTRONG; MICHAEL WALTON; )  
 12 THE GERALD ARMSTRONG CORPORATION )  
 a California for-profit )  
 13 corporation; DOES 1 through 100, )  
 inclusive, )

14 Defendants. )  
 15 )

GERALD ARMSTRONG'S  
 NOTICE OF FILING  
 CHAPTER 7 BANKRUPTCY  
 PETITION AND  
 IMPOSITION OF  
 AUTOMATIC STAY

16 TO THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF MARIN, AND ALL  
 17 PARTIES AND ATTORNEYS OF RECORD HEREIN:

18 PLEASE TAKE NOTICE that on April 19, 1995, Gerald Armstrong,  
 19 defendant herein, in propria persona, filed a petition for  
 20 Bankruptcy under Chapter 7 of the United States Bankruptcy Code,  
 21 in the U.S. Bankruptcy Court for the Northern District of  
 22 California, and an automatic stay was ordered as to all  
 23 proceedings against said debtor. It is unlawful for any person,  
 24 without the permission of said Bankruptcy Court, to take any  
 25 actions against the debtor's property. A copy of the face page of  
 26 said petition, No. 95 10911, is appended hereto

27 DATED: April 19, 1995

28 By: 

Gerald Armstrong



## FORM 1. VOLUNTARY PETITION

United States Bankruptcy Court NORTHERN District of CALIFORNIA		VOLUNTARY PETITION
IN RE (Name of debtor - If individual, enter Last, First, Middle) <b>Armstrong, Gerald</b>	NAME OF JOINT DEBTOR (Spouse) (Last, First, Middle)	
ALL OTHER NAMES used by the debtor in the last six years <b>NONE</b>	ALL OTHER NAMES used by the joint debtor in the last six years	
SOC. SEC./TAX ID. NO. (If more than one, state all) <b>265-81-2049</b>	SOC. SEC./TAX ID. NO. (If more than one, state all)	
STREET ADDRESS OF DEBTOR (No. and street, city, state, zip) <b>715 Sir Francis Drake Blvd. San Anselmo, CA 94960</b>	STREET ADDRESS OF JOINT DEBTOR (No. and street, city, state, zip)	
Phone: (415) 456-8450 Work: Same County of Residence or Principal Place of Business <b>Marin</b>	County of Residence or Principal Place of Business	
MAILING ADDRESS OF DEBTOR (If different from street address) <b>SAME</b>	MAILING ADDRESS OF JOINT DEBTOR (If different from street address)	
LOCATION OF PRINCIPAL ASSETS OF BUSINESS DEBTOR (If different from above) <b>NOT APPLICABLE</b>	VENUE <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in the District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.	
INFORMATION REGARDING DEBTOR (Check applicable boxes)		
TYPE OF DEBTOR <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Joint (Husband and Wife) <input type="checkbox"/> Partnership <input type="checkbox"/> Other		CHAPTER or SECTION of BANKRUPTCY CODE UNDER WHICH the PETITION is FILED <input checked="" type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Sec. 304-Case Ancillary to Foreign Proceeding
NATURE OF DEBT <input checked="" type="checkbox"/> Non-Business/Consumer <input type="checkbox"/> Business-Complete A & B below		FILING FEE (Check one box) <input checked="" type="checkbox"/> Filing fee attached. <input type="checkbox"/> Filing fee to be paid in installments. (Applicable to individuals only.) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1005(b). See Official Form No. 3.
A. TYPE OF BUSINESS (Check one box) <input type="checkbox"/> Farming <input type="checkbox"/> Transportation <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Professional <input type="checkbox"/> Manufacturing <input type="checkbox"/> Construction <input type="checkbox"/> Retail/Wholesale <input type="checkbox"/> Mining <input type="checkbox"/> Real Estate <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Other Business		NAME AND ADDRESS OF LAW FIRM OR ATTORNEY
B. BRIEFLY DESCRIBE NATURE OF BUSINESS  <b>JEFFREY B. LOCKE, Trustee P. O. Box 488 Kentfield, CA 94914-0488</b>		Telephone No. NAME(S) OF ATTORNEY(S) DESIGNATED TO REPRESENT THE DEBTOR <b>95 10911</b>
		<input checked="" type="checkbox"/> Debtor is not represented by an attorney. Phone: (415) 456-8450

STATISTICAL/ADMINISTRATIVE INFORMATION (U.S.C. § 504) (Estimates only) (Check applicable boxes)						
<input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.						
ESTIMATED NUMBER OF CREDITORS						
1-15 <input checked="" type="checkbox"/>	16-49 <input type="checkbox"/>	50-99 <input type="checkbox"/>	100-199 <input type="checkbox"/>	200-999 <input type="checkbox"/>	1000-over <input type="checkbox"/>	
ESTIMATED ASSETS (in thousands of dollars)						
Under 50 <input checked="" type="checkbox"/>	50-99 <input type="checkbox"/>	100-499 <input type="checkbox"/>	500-999 <input type="checkbox"/>	1000-9999 <input type="checkbox"/>	10,000-99,999 <input type="checkbox"/>	100,000-over <input type="checkbox"/>
ESTIMATED LIABILITIES (in thousands of dollars)						
Under 50 <input type="checkbox"/>	50-99 <input type="checkbox"/>	100-499 <input type="checkbox"/>	500-999 <input type="checkbox"/>	1000-9999 <input checked="" type="checkbox"/>	10,000-99,999 <input type="checkbox"/>	100,000-over <input type="checkbox"/>
ESTIMATED NUMBER OF EMPLOYEES - CH. 11 & 12 ONLY						
0 <input type="checkbox"/>	1-19 <input type="checkbox"/>	20-99 <input type="checkbox"/>	100-999 <input type="checkbox"/>	1000-over <input type="checkbox"/>		
ESTIMATED NUMBER OF EQUITY SECURITY HOLDERS - CH. 11 & 12 ONLY						
0 <input type="checkbox"/>	1-19 <input type="checkbox"/>	20-99 <input type="checkbox"/>	100-499 <input type="checkbox"/>	500-over <input type="checkbox"/>		

THIS SPACE FOR COURT USE ONLY

KEENAN E. CASADY, CLERK  
U.S. BANKRUPTCY COURT  
NORTHERN DIST. OF CA.  
SANTA ROSA, CA.

95 APR 19 AM 11:32

ORIGINAL FILED  
ORDER FOR RELIEF.



PROOF OF SERVICE

I am employed in the county of Marin, State of California. I am over the age of eighteen years and not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California 94960. I served the foregoing document(s) described as:

**GERALD ARMSTRONG'S NOTICE OF FILING CHAPTER 7 BANKRUPTCY PETITION**

on the following persons on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Laurie J. Bartilson, Esquire  
BOWLES & MOXON  
6255 Sunset Boulevard, Suite 2000  
Los Angeles, CA 90028

FAX &amp; MAIL

Andrew H. Wilson, Esquire  
Wilson, Ryan & Campilongo  
115 Sansome Street, Suite 400  
San Francisco, CA 94104

FAX &amp; MAIL

Michael L. Walton, Esquire  
P.O. Box 751  
San Anselmo, CA 94979

FAX &amp; MAIL

☒ (By Mail)

I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

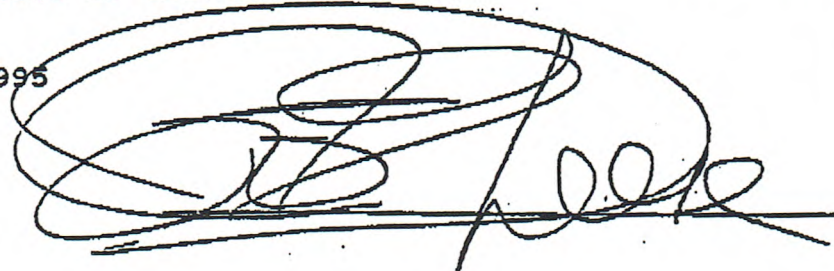
☐ (Personal)

I caused said papers to be personally served on the office of counsel.

☒ (State)

I declare under the penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: April 19, 1995





FORD GREENE  
LAWYERHUB LAW OFFICES  
711 518 FRANCIS DRAKE BOULEVARD  
SAN ANSELMO, CALIFORNIA 94960-1949  
(415) 258-0360LICENSE No. 107601  
FACSIMILE (415) 456-5318**IMPORTANT:**

This telecopy is intended only for the use of the individual or entity to which it is addressed. It may contain information that is privileged, confidential, or otherwise protected from disclosure under applicable law. If the reader of this transmission is not the intended recipient or the employee or agent responsible for delivering the transmission to the intended recipient, you are hereby notified that any dissemination, distribution, copying or use of this transmission or its contents is strictly prohibited. If you have received this transmission in error, please notify us by telephone and return the original transmission to the office at the above address.

DATE:

4/19/95

TO:

Laine J. Bartilson, Esq.

TELEPHONE:

FAX TELEPHONE:

(213) 953-3351

FROM:

FORD GREENE

TELEPHONE:

(415) 258-0360

FAX TELEPHONE:

(415) 456-5318

**DOCUMENT INFORMATION**

This Fax Communication consists of this cover sheet plus 3 pages comprising the accompanying document.

Armstrong's notice of bankruptcy  
& force of petition.

**INSTRUCTIONS**

CONFIRM RECEIPT OF THIS FAX BY TELEPHONE

HARD COPY TO FOLLOW BY MAIL

IF ALL PAGES ARE NOT RECEIVED OR ARE NOT  
LEGIBLE, PLEASE TELEPHONE AND NOTIFY SENDER  
IMMEDIATELY.

OTHER:



PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of California, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Hollywood, CA 90028.

On April 26, 1995, I served the foregoing document described as REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF MOTION FOR RELIEF FROM STAY on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

GERALD ARMSTRONG  
715 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

Jeffrey G. Locke, Trustee  
P.O. Box 488  
Kentfield, CA 94914-0488

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on April 26, 1995, at Los Angeles, California.

[ ] \*\*(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

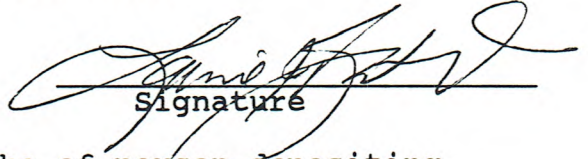
Executed on April 26, 1995, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laure Bordison

Print or Type Name



Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)